

**Borough of Oakmont
Financial Statements
December 31, 2019**

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Independent Auditor's Report

Members of Council
Borough of Oakmont
Oakmont, Pennsylvania

Dear Members:

We have audited the accompanying modified cash basis financial statements of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Borough of Oakmont, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1C; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position on a modified cash basis of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Borough of Oakmont, as of December 31, 2019, and the respective changes in financial position on a modified cash basis for the year then ended in accordance with the basis of accounting as described in Note 1C.

Report on Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Borough of Oakmont's basic financial statements. The budgetary comparison information, pension and other post-employment benefit information, combining fund financial statements, and component unit financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison information, pension and other post-employment benefit information, combining fund financial statements and component unit financial statements as listed in the table of contents is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1C.

Basis of Accounting

We draw attention to Note 1C of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Respectfully submitted,

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
August 11, 2020

**Borough of Oakmont
Statement of Net Position
Modified Cash Basis
December 31, 2019**

Exhibit 1

	Governmental Activities	Business-Type Activities	Total	Component Unit (Oakmont Carnegie Library)
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 1,737,397	\$ 224,963	\$ 1,962,360	\$ 8,930
Investments	-	-	-	805,732
Taxes Receivable, Net	-	-	-	16,157
Internal Balances	12,301	(12,301)	-	-
Due From Component Unit	8,814	-	8,814	-
Other Current Assets	483	-	483	-
	<u>1,758,995</u>	<u>212,662</u>	<u>1,971,657</u>	<u>830,819</u>
TOTAL ASSETS				
LIABILITIES				
Current Liabilities				
Due to Primary Government	-	-	-	8,814
Other Current Liabilities	486	-	486	-
	<u>486</u>	<u>-</u>	<u>486</u>	<u>8,814</u>
TOTAL LIABILITIES				
NET POSITION				
Restricted	5,015	-	5,015	805,732
Unrestricted	1,753,494	212,662	1,966,156	16,273
	<u>1,758,509</u>	<u>212,662</u>	<u>1,971,171</u>	<u>822,005</u>
TOTAL NET POSITION				

See Accompanying Notes

**Borough of Oakmont
Statement of Activities
Modified Cash Basis
Year Ended December 31, 2019**

Exhibit 2

Functions/Programs	Expenses	Program Receipts		Net (Disbursements) Receipts and Changes in Net Position			Component Unit (Oakmont Carnegie Library)
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- Type Activities	Total	
Governmental Activities:							
General Government	\$ 657,686	\$ 20,848	\$ 21,031	\$ (615,807)	\$ -	\$ (615,807)	\$ -
Public Safety	1,700,074	181,746	97,953	(1,420,375)	-	(1,420,375)	-
Public Works - Highways	1,560,485	978	201,471	(1,358,036)	-	(1,358,036)	-
Public Works - Other	216,386	-	767	(215,619)	-	(215,619)	-
Culture & Recreation	864,967	71,920	129,579	(663,468)	-	(663,468)	-
Principal and Interest on Long-Term Debt	55,470	-	-	(55,470)	-	(55,470)	-
Total Governmental Activities	5,055,068	275,492	450,801	(4,328,775)	-	(4,328,775)	-
Business-Type Activities:							
Sewer	2,072,194	2,048,015	13,899	-	(10,280)	(10,280)	-
Total Primary Government	\$ 7,127,262	\$ 2,323,507	\$ 464,700	(4,328,775)	(10,280)	(4,339,055)	-
Component Unit:							
Oakmont Carnegie Library	\$ 607,256	\$ 22,713	\$ 1,247,193	-	-	-	662,650
General Receipts							
Taxes							
Property Taxes Levied for General Purposes, Net				2,021,914	-	2,021,914	-
Earned Income Taxes				1,299,149	-	1,299,149	-
Real Estate Transfer Taxes				250,583	-	250,583	-
Other Taxes Levied for General Purposes, Net				290,682	-	290,682	-
Grants, Subsidies and Contributions not Restricted				10,660	-	10,660	-
Investment Earnings				18,942	262	19,204	29,791
Miscellaneous Income				247,812	-	247,812	1,260
Total General Receipts				4,139,742	262	4,140,004	31,051
Change in Net Position				(189,033)	(10,018)	(199,051)	693,701
Net Position - January 1, 2019				1,947,542	222,680	2,170,222	128,304
Net Position - December 31, 2019				\$ 1,758,509	\$ 212,662	\$ 1,971,171	\$ 822,005

See Accompanying Notes

Borough of Oakmont
Balance Sheet – Modified Cash Basis
Governmental Funds
December 31, 2019

Exhibit 3

	General Fund	Kerr Museum Fund	Capital Reserve Fund	Capital Projects Roads Fund	Non-Major Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 540,795	\$ 398,249	\$ 512,628	\$ 12,753	\$ 272,972	\$ 1,737,397
Due from Other Funds	12,301	-	-	-	-	12,301
Due from Component Units	8,814	-	-	-	-	8,814
Other Current Assets	483	-	-	-	-	483
	<u>562,393</u>	<u>398,249</u>	<u>512,628</u>	<u>12,753</u>	<u>272,972</u>	<u>1,758,995</u>
TOTAL ASSETS	<u>\$ 562,393</u>	<u>\$ 398,249</u>	<u>\$ 512,628</u>	<u>\$ 12,753</u>	<u>\$ 272,972</u>	<u>\$ 1,758,995</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Other Current Liabilities	\$ 486	\$ -	\$ -	\$ -	\$ -	\$ 486.00
Fund Balances						
Restricted	-	-	-	-	5,015	5,015
Assigned	-	398,249	512,628	12,753	267,957	1,191,587
Unassigned	561,907	-	-	-	-	561,907
	<u>561,907</u>	<u>398,249</u>	<u>512,628</u>	<u>12,753</u>	<u>272,972</u>	<u>1,758,509</u>
Total Fund Balances	<u>561,907</u>	<u>398,249</u>	<u>512,628</u>	<u>12,753</u>	<u>272,972</u>	<u>1,758,509</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 562,393</u>	<u>\$ 398,249</u>	<u>\$ 512,628</u>	<u>\$ 12,753</u>	<u>\$ 272,972</u>	<u>\$ 1,758,995</u>

See Accompanying Notes

Borough of Oakmont
Statement of Revenues, Expenditures and
Changes in Fund Balances – Modified Cash Basis
Governmental Funds
Year Ended December 31, 2019

Exhibit 4

	General Fund	Kerr Museum Fund	Capital Reserve Fund	Capital Projects Roads Fund	Non-Major Funds	Total Governmental Funds
Revenues						
Taxes	\$ 3,862,328	\$ -	\$ -	\$ -	\$ -	\$ 3,862,328
Licenses and Permits	167,553	-	-	-	-	167,553
Fines and Forfeits	35,497	-	-	-	-	35,497
Interest, Rents and Royalties	20,005	5,108	5,077	360	35,409	65,959
Intergovernmental	126,463	-	-	-	238,789	365,252
Charges for Services	231,458	-	-	-	-	231,458
Miscellaneous	31,605	83,218	30	-	12,991	127,844
Total Revenues	4,474,909	88,326	5,107	360	287,189	4,855,891
Expenditures						
Current:						
General Government	628,716	27,545	-	-	-	656,261
Public Safety	1,670,611	-	29,463	-	-	1,700,074
Public Works - Highway	916,692	-	-	437,497	206,296	1,560,485
Public Works - Other	-	-	-	216,386	-	216,386
Culture - Recreation	602,834	40,577	57,803	-	163,753	864,967
Miscellaneous	1,305	-	-	-	-	1,305
Debt Service:						
Principal	40,000	-	-	-	-	40,000
Interest	15,590	-	-	-	-	15,590
Total Expenditures	3,875,748	68,122	87,266	653,883	370,049	5,055,068
Excess (Deficiency) of Revenues Over Expenditures	599,161	20,204	(82,159)	(653,523)	(82,860)	(199,177)
Other Financing Sources (Uses)						
Transfers In	-	10,000	125,000	427,950	115,000	677,950
Sale of Fixed Assets	10,144	-	-	-	-	10,144
Transfers Out	(677,950)	-	-	-	-	(677,950)
Total Other Financ. Sources (Uses)	(667,806)	10,000	125,000	427,950	115,000	10,144
Net Changes in Fund Balances	(68,645)	30,204	42,841	(225,573)	32,140	(189,033)
Fund Balances - January 1, 2019	630,552	368,045	469,787	238,326	240,832	1,947,542
Fund Balances - December 31, 2019	\$ 561,907	\$ 398,249	\$ 512,628	\$ 12,753	\$ 272,972	\$ 1,758,509

See Accompanying Notes

**Borough of Oakmont
Statement of Net Position
Modified Cash Basis
Proprietary Funds
December 31, 2019**

Exhibit 5

	Sewer Fund
ASSETS	
Current Assets	
Cash and Cash Equivalents	<u>\$ 224,963</u>
LIABILITIES	
Current Liabilities	
Due to Other Funds	<u>12,301</u>
NET POSITION	
Restricted	<u><u>\$ 212,662</u></u>

See Accompanying Notes

Borough of Oakmont
Statement of Revenues, Expenses and Changes in Net Position
Modified Cash Basis
Proprietary Funds
Year Ended December 31, 2019

Exhibit 6

	Sewer Fund
Operating Revenues	
Charges for Services	<u>\$ 2,048,015</u>
Operating Expenses	
Personal Services	488,562
Supplies	73,372
Other Services and Charges	<u>1,246,230</u>
Total Operating Expenses	<u>1,808,164</u>
Operating Income	<u>239,851</u>
Nonoperating Revenues (Expenses)	
Investment Income	262
Debt Principal	(260,000)
Debt Interest	(4,030)
Intergovernmental Revenues	<u>13,899</u>
Total Nonoperating Revenues (Expenses)	<u>(249,869)</u>
Change in Net Position	(10,018)
Net Position - January 1, 2019	<u>222,680</u>
Net Position - December 31, 2019	<u><u>\$ 212,662</u></u>

See Accompanying Notes

**Borough of Oakmont
Statement of Net Position
Modified Cash Basis
Fiduciary Funds
December 31, 2019**

Exhibit 7

	Pension Trust Funds
ASSETS	
Cash and Cash Equivalents	\$ 36,235
Investments	
Common Stock	2,315,519
Fixed Income	3,113,153
Notes Receivable	<u> 3,142</u>
 TOTAL ASSETS	 <u>5,468,049</u>
 NET POSITION	
Net Position Restricted for Pensions	 <u>\$ 5,468,049</u>

See Accompanying Notes

**Borough of Oakmont
Statement of Changes in Net Position
Modified Cash Basis
Fiduciary Funds
Year Ended December 31, 2019**

Exhibit 8

	Pension Trust Funds
Additions	
Contributions	
Employer	\$ 374,024
Plan Members	<u>32,097</u>
Total Contributions	<u>406,121</u>
Investment Income	
Net Appreciation in Fair Value of Investments	644,994
Interest and Dividends	90,685
Less: Investment Expense	<u>(46,994)</u>
Net Investment Income	<u>688,685</u>
Total Additions	<u>1,094,806</u>
Deductions	
Benefits	338,077
Administrative Expenses	<u>16,035</u>
Total Deductions	<u>354,112</u>
Change in Net Position	740,694
Net Position - January 1, 2019	<u>4,727,355</u>
Net Position - December 31, 2019	<u>\$ 5,468,049</u>

See Accompanying Notes

Borough of Oakmont
Notes to Financial Statements
December 31, 2019

Note 1 - Summary of Significant Accounting Policies

The Borough of Oakmont was incorporated in 1889 under the provisions of Article 9, Section I of the Constitution of the Commonwealth of Pennsylvania, as amended. The Borough operates under a Council/Manager form of government.

The accompanying financial statements present the government and its component unit, an entity for which the government is considered to be financially accountable.

The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government. The discretely presented component unit has a December 31 year-end.

Discretely Presented Component Unit

Oakmont Carnegie Library

Oakmont Carnegie Library (Library) is a non-profit organization supporting the educational and intellectual needs of the community. The Library Board consists of seven (7) members appointed by Council of the Borough of Oakmont. In addition, the Library Director and all other paid employees are employees of the Borough of Oakmont, and Borough Council retains the right to hire and set the salary and benefits. The Library makes an annual report of the monies received from the Borough and the dispositions made thereof to Borough Council.

As discussed further in Note 1C, these financial statements are presented on a modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). The more significant accounting policies used by the Borough are discussed below.

A. Basic Financial Statements - Government-Wide Statements

The Borough's basic financial statements include both government-wide (reporting the Borough as a whole) and fund financial statements (reporting the Borough's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Borough's police, highway, sanitation, parks and general administrative services are all classified as governmental activities. The Borough's sewer fund is accounted for as a business-type activity.

In the government-wide statement of net position, governmental activities and business-type activities are presented on a consolidated basis by column.

The government-wide statement of activities reports both the gross and net cost of each of the Borough's functions. The functions are also supported by general government receipts (certain intergovernmental revenues, charges for services, etc.). The statement of activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public safety, public works - sanitation, public works - highways, culture and recreation, etc.). Operating grants include operating-specific and discretionary (either operating or capital).

Borough of Oakmont
Notes to Financial Statements
December 31, 2019

The governmental activities net costs by function are normally covered by general receipts including real estate taxes, earned income taxes, intergovernmental receipts, interest income and rents. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary fund are sewer and sanitation charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The government-wide focus is more on the Borough as an entity and the change in the Borough's net position resulting from the current year's activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payment-in-lieu of taxes and other charges between various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

B. Basic Financial Statements - Fund Financial Statements

Fund financial statements of the Borough are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues and expenditures. Funds are organized into three categories: governmental, proprietary and fiduciary.

The emphasis in fund financial statements is on the major funds in the governmental and proprietary categories. Nonmajor funds are summarized into a single column. GASBS No. 34 sets forth the minimum criteria (percentage of the assets, liabilities, revenues or expenditures) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and change in financial position (sources, uses, and balances of financial resources) rather than upon net income. The Borough reports these major governmental funds and fund types:

The *general fund* is the Borough's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes. The Kerr Museum Fund is considered a major special revenue fund.

Capital projects funds account for revenues and expenditures used for capital purchases in the Borough. The capital reserve fund and the capital projects road fund are considered major capital projects funds.

Borough of Oakmont
Notes to Financial Statements
December 31, 2019

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

2. Proprietary Fund - Enterprise Fund

Enterprise funds are used to account for business-type activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise fund that is reported as a major fund:

The *sewer fund* is used to account for resources derived from sewer and solid waste billings to residents and related disbursements.

3. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and are therefore not available to support Borough programs. The reporting focus is on net position and changes in net position. The Borough's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose, or agency). The Borough reports the following fund type:

The *pension trust funds* account for the activities of the police and general employees' pension plans, which accumulate resources for pension benefit payments to covered employees.

Fiduciary funds are not incorporated into the government-wide financial statements.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe how transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined in the basis of accounting note below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus, as applied to the modified cash basis of accounting, is used as appropriate.

- a. All governmental and fiduciary funds utilize a current financial resources measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Borough of Oakmont
Notes to Financial Statements
December 31, 2019

- b. The proprietary fund utilizes an economic resources measurement focus within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), net financial position, and cash flows. All assets, deferred outflows, liabilities, and deferred inflows (whether current or noncurrent or financial or nonfinancial) associated with their activities are generally reported within the limitations of the modified cash basis of accounting.

Basis of Accounting

In the government-wide statement of net position, the statement of activities and the fund financial statements, governmental, business-type activities and fiduciary fund types are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

The Borough has not recorded capital assets and infrastructure arising from cash transactions or the provision for accumulated depreciation and depreciation expense in the government-wide or proprietary fund statements.

Outside debt and other long-term liabilities have not been recognized in the government-wide statement of net position and the proprietary-type fund financial statements.

If the Borough utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental and fiduciary funds would use the modified accrual basis of accounting and the proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Financial Statement Amounts

1. Cash and Cash Equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

Investments for the government are reported at fair value.

Borough of Oakmont
Notes to Financial Statements
December 31, 2019

3. Government-wide Net Position

Government-wide net position is divided into two components:

Restricted - consist of assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

Unrestricted - all other net position is reported in this category.

4. Fund Financial Statements - Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - the part of fund balance that is restricted to be spent for a specific purpose. The constraints on these amounts must be externally imposed by creditors, grantors, contributors or laws or regulations of other governments, or by enabling legislation. Enabling legislation authorizes the government to assess, levy, change or mandate payments and includes a legally enforceable requirement on the use of these funds.

Committed - the portion of fund balance that can only be used for specific purposes as a result of formal action by the Borough's highest level of authority, Borough Council. Once the item is committed, it cannot be used for any other purpose unless changed by the same procedures used to initially constrain the money, which is the passage of a motion.

Assigned - reflects the Borough's intent to use the money for a specific purpose, but is not considered restricted or committed. Fund balance may be assigned by management.

Unassigned - represents the part of spendable fund balance that has not been categorized as restricted, committed or assigned. The general fund is the only fund permitted to have a positive unassigned fund balance.

Proprietary Funds - the difference among assets and liabilities of proprietary funds is reported as net position and classified in the same manner as the government-wide financial statements, as previously described.

5. Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Borough's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Borough's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications - committed and then assigned fund balances before using unassigned fund balances.

6. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide statement of net position and statement of activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Borough of Oakmont
Notes to Financial Statements
December 31, 2019

Interfund activity resulting from cash transactions or events, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

- a. Interfund loans - amounts provided with a requirement for repayment are reported as interfund receivables and payables.
- b. Interfund services - sales or purchases of goods and services between funds are reported as revenues and expenditures or expenses.
- c. Interfund reimbursements - repayments from funds responsible for certain expenditures or expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures or expenses in the respective funds.
- d. Interfund transfers - flow of assets from one fund to another when repayment is not expected and reported as transfers in and out.

Government-wide Financial Statements

Interfund activity and balances resulting from cash transaction or events, if any, are eliminated or reclassified in the government-wide financial statements as follows:

- a. Internal balances - amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the "Governmental" and "Business-Type Activities" columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are reported as internal balances.
- b. Internal activities - amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide statement of activities, except for the net amount of transfers between governmental and business-type activities, which are reported as transfers - internal activities. The effects of interfund services between funds, if any, are not eliminated in the statement of activities.
- c. Primary government and component unit activity and balances - resource flows between the primary government (the Borough) and the discretely-presented component unit (the Oakmont Carnegie Library) are reported as if they were external transactions and are classified separately from internal balances and activities within the primary government.

Note 2 - Budgets and Budgetary Accounting

Budgets are adopted, on a modified cash basis of accounting, for all funds, except the pension trust funds. Budgetary control for the pension trust funds is maintained by the provisions of the funds as implemented by their respective governing boards.

The Borough uses the following procedures in establishing the budgetary data reflected in the financial statements as prescribed in the Borough's Code:

1. The budget is prepared in any manner designated by Members of Council (Council).
2. The Borough must prepare the budget not less than 30 days before adoption.

Borough of Oakmont
Notes to Financial Statements
December 31, 2019

3. Notice that the proposed budget is available for inspection must be published by the secretary in a newspaper of general circulation, and the proposed budget must be kept on file with and made available for public inspection by the secretary for a period of 10 days after the notice and prior to adoption.
4. On or before December 31, Council must finally adopt the budget. Upon completion of the budget, Council shall adopt the real estate tax ordinance.

Adoption of the budget by Council constitutes approximations of the expenditures for the fiscal year, and the budget is employed as a management control device during the year. Under the Borough Code, the expenditure budget may be amended by Council after a public hearing. Within the general fund accounts, the Borough Manager is authorized to transfer budgeted amounts between operating departments provided that such transfers do not alter total expenditures approved by Council. Therefore, in the general fund, as in all other funds that have legally adopted budgets, the legal level of control over expenditures is the surplus or deficit of the funds as a whole. Operating departments are charged with the maintenance of the budget for the department as a whole; however, operating departments may exceed the appropriation with the approval of the Borough Manager. Any excess appropriations at the end of the fiscal year are not carried forward; but, instead, lapse.

Note 3 - Net Position/Fund Balance Classifications

The purposes of the fund balance classifications as of December 31, 2019, are as follows:

The restricted fund balance of \$5,015 in the nonmajor funds is restricted for highway maintenance, rebuilding and construction.

The assigned fund balances in the Kerr Museum, capital reserve, capital projects roads and nonmajor funds are for the following purposes:

1. Kerr Museum	\$398,249
2. Future capital expenditures	65,199
3. Bicentennial	30
4. Reserve funds	300,000
5. Parks	52,199
6. Fire vehicle	95,200
7. Future road maintenance	12,753
8. Oakmont Boulevard improvements	133,952
9. Park improvements	134,005

Note 4 - Deposits and Investments

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including U. S. Treasury bills, other short-term U. S. and Pennsylvania government obligations, and insured or collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes. In addition to the investment, authorized for governmental funds, fiduciary fund investments may also be made in corporate stocks and bonds, real estate and other investments consistent with sound business practice.

Borough of Oakmont
Notes to Financial Statements
December 31, 2019

The deposit and investment policy of the Borough adheres to state statutes and or prudent business practice. Deposits of the governmental funds are either maintained in demand deposits or highly liquid money market funds and are captioned as cash in the combined balance sheet. The deposits and investments of the fiduciary funds are administered by trustees and are held separately from those of other municipal funds. Investments are reported at fair value. Fair value is based on quoted market prices. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Investments that do not have an established market are reported at estimated fair value. There were no deposit or investment transactions during the year that were in violation of either their state statutes or the policy of the Borough.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in an event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a deposit policy for custodial credit risk. Deposits in excess of amounts covered by the Federal Deposit Insurance Corporation are collateralized in accordance with Act 72 of 1971 of the Pennsylvania State Legislature which requires the institution to pool collateral for all governments and have the collateral held by an approved custodian in the institution's name. As of December 31, 2019, \$1,531,630 of the Borough's bank balance of \$2,066,617 was exposed to custodial credit risk as follows:

Uninsured and Collateral Held by Pledging	
Bank's Agent not in the Borough's Name	<u>\$1,531,630</u>

As of December 31, 2019, the component unit's bank balance of \$15,952 was not exposed to custodial credit risk.

As of December 31, 2019, the Borough had the following investments all held in the fiduciary funds:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Common Stock	\$ 2,315,519	
U.S. Agencies	424,130	21.84
U.S. Treasuries	2,623,399	2.51
Corporate Bonds	<u>65,624</u>	1.02
	<u>\$ 5,428,672</u>	
Portfolio Weighted Average Maturity		5.12

The investments above are reported in the Borough's fiduciary funds.

As of December 31, 2019, the component unit's investments of \$805,732 were comprised entirely of mutual funds.

Interest Rate Risk - The Borough does not have policy related to investment rate risk.

Borough of Oakmont
Notes to Financial Statements
December 31, 2019

Credit Risk - Pennsylvania statutes authorize the type of investments allowed and are described above. The Borough has no investment policy that would further limit its investment choices. The Borough's investments, excluding its common stock, mutual funds and U. S. Government guaranteed obligations, are rated by the nationally recognized statistical rating organization, Standard and Poor's (S&P) and Moody's as follows:

Credit Quality Distribution of Securities
with Credit Exposure as a Percentage of Total Investments

Investment Type	Credit Rating		Percentage
	S&P	Moody's	
U.S. Treasuries	N/A	Aaa	48.32%
U.S. Government Agencies	AA	-	0.00%
U.S. Government Agencies	N/A	-	7.81%
U.S. Government Agencies	-	Aaa	1.11%
U.S. Government Agencies	-	N/A	6.70%
Corporate Obligations	A	-	1.21%
Corporate Obligations	-	A	1.21%
Corporate Obligations	BBB	-	0.00%
Corporate Obligations	-	Baa	0.00%

Custodial Credit Risk Investments - This is the risk that in the event of failure of the counterparty, the Borough will not be able to recover the value of its investments. The Borough does not have an investment policy for custodial credit risk. None of the Borough's investments are subject to custodial risk.

Concentration of Credit Risk - At December 31, 2019, the Borough and the component unit do not have a policy for concentration of credit risk.

The Borough categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Borough of Oakmont
Notes to Financial Statements
December 31, 2019

The Borough has the following recurring fair value measurements as of December 31, 2019:

Investments by Fair Value Level	Totals	Fair Value Measurements		
		Level 1	Level 2	Level 3
Fixed Income:				
Corporate Bonds	\$ 65,624	\$ 65,624	\$ -	\$ -
U.S. Government Bonds & Notes	2,623,399	2,623,399	-	-
U.S. Government Agencies	424,130	-	424,130	-
Total Debt Securities	3,113,153	2,689,023	424,130	-
Equity Securities	2,315,519	2,315,519	-	-
Total Investments	\$ 5,428,672	\$ 5,004,542	\$ 424,130	\$ -

Note 5 - Interfund Receivable and Payable Balances

Individual fund interfund receivable and payable balances at December 31, 2019 were:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 12,301	\$ -
Sewer Fund	-	12,301
	<u>\$ 12,301</u>	<u>\$ 12,301</u>

Balances resulted from the time lag between dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Note 6 - Interfund Transfers

For the year ended December 31, 2019, interfund transfers consisted of the following:

Borough of Oakmont
Notes to Financial Statements
December 31, 2019

Transfers To	Transfer From General Fund
Capital Reserve Fund	\$ 125,000
Kerr Museum Fund	10,000
Capital Projects Roads Fund	427,950
Nonmajor Funds	115,000
	\$ 677,950

The transfers from the general fund to the Oakmont Boulevard project fund (\$80,000), the Kerr Museum fund (\$10,000), the capital projects parks fund (\$35,000) and capital projects roads fund (\$380,000) were approved per the annual budget for annual funding and an additional \$47,950 transfer to the capital projects roads fund was approved.

Note 7 - Real Estate Taxes

The tax collector bills and collects real estate taxes on behalf of the Borough based upon assessed values provided by the County. The Borough's tax rate for all purposes in 2019 was 3.73 mills (\$3.73 per \$1,000 assessed valuation). The tax calendar for real estate taxes levied for 2019 is as follows:

Tax Levy Date	April 1, 2019
2% Discount Period	April 1 to May 31, 2019
Face Payment Period	June 1 to July 31, 2019
10% Penalty Period	August 1, 2019 until Liened

Note 8 - Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2019, was as follows:

	Balance 01/01/19	Additions	Retirements	Balance 12/31/19	Due Within One Year
Governmental Activities					
Bonds Payable					
General Obligation Bonds	\$ 925,000	\$ -	\$ 130,000	\$ 795,000	\$ 125,000
Business-Type Activities					
Bonds Payable					
General Obligation Bonds	\$ 260,000	\$ -	\$ 260,000	\$ -	\$ -

Borough of Oakmont
Notes to Financial Statements
December 31, 2019

General Obligation Bonds - Governmental Activities

Series of 2012 in the amount of \$1,075,000; payable semi-annually on May 15 and November 15 from the component unit; interest fluctuates from 1.0% to 2.7% through 2024. The debt service source for this issue is the library. \$ 465,000

Series of 2011 is broken into two parts, the refunding portion (business-type activities) and the new money portion (governmental activities). New money portion is in the amount of \$620,000; payable semi-annually on May 15 and November 15 from the general fund; interest fluctuates from 2.0% to 4.3% through 2026. 330,000

\$ 795,000

The annual debt service requirements to maturity, including principal and interest, for the long-term debt as of December 31, 2019, are as follows:

Year Ended December 31,	Governmental Activities		Totals
	Principal	Interest	
2020	\$ 125,000	\$ 26,045	\$ 151,045
2021	135,000	22,370	157,370
2022	140,000	18,365	158,365
2023	145,000	13,865	158,865
2024	145,000	9,230	154,230
2025-2026	105,000	6,880	111,880
	\$ 795,000	\$ 96,755	\$ 891,755

Note 9 - Defined Benefit Pension Plans

A. Plan Descriptions, Contribution Information, and Funding Policies

The Borough of Oakmont contributes to two Defined Benefit Pension Plans. Assets are held separately and may be used only for the payment of benefits to the members of the respective Plans.

Borough of Oakmont Police Pension Plan (PPP) - The Police Pension Plan is a single-employer defined benefit pension trust fund. Any person employed on a full-time basis by the Borough as a member of the police force is eligible to participate in the Plan.

General Employees' Pension Plan (GEPP) - The General Employees' Pension Plan is a single-employer defined benefit Trust Fund Plan. Any person employed on a full-time basis by the Borough of Oakmont, excluding police officers and non-union employees hired after December 17, 2018 is eligible to participate in the Plan.

**Borough of Oakmont
Notes to Financial Statements
December 31, 2019**

Actuarial valuations are performed biannually. For additional information related to basis of accounting and reported investment values, see Notes 1C and 4. The Plans do not issue stand-alone financial reports.

The following is a summary of funding policies, contribution methods, and benefit provisions:

	<u>PPP</u>	<u>GEPP</u>
Date Established	July 12, 1949	July 12, 1949
Governing Authority and Administrator	Borough Council and Ordinances	Borough Council and Ordinances
Determination of Contribution Requirements	Actuarially determined	Actuarially determined
Employer (includes state aid of \$97,289)	\$202,170	\$171,854
Plan Members	2.5% of compensation	3.5% of compensation
Funding of Administrative Costs	Investment earnings	Investment earnings
Eligibility Requirements		
Normal Retirement	Age 55 with 25 years of aggregate service	Earliest of the following: a. age 65 and 20 years of credited service b. age 62 and 25 years of credited service c. age 55 and 35 years of credited service
Early Retirement	None	None
Vesting	100% after completion of 12 years of service	100% after completion of 12 years of credited service
Retirement Benefit	50% of final 36 months average salary, plus service increment, if any	50% of final 36 months average salary, plus service increment, if any
Service Increment	Additional monthly benefit of \$100 for completion of each year of service in excess of 26 years up to a maximum of \$200	Additional monthly benefit of \$100 for completion of 41 years of credited service for non-union employees
Post Retirement Benefit Increases	No	No
Provisions for Disability Benefits	Yes	No
Provisions for Death Benefits	Yes	Yes

Borough of Oakmont
Notes to Financial Statements
December 31, 2019

Deferred Retirement Option Plan (DROP)	Yes	Yes
Effective Date	01/01/19	12/18/18

Memberships of the Plans are as follows, based on the latest actuarial valuation reports dated January 1, 2019:

	<u>PPP</u>	<u>GEPP</u>
Active Employees	6	7
Inactive Employees Entitled to But Not Yet Receiving Benefits	-	-
Inactive Employees or Beneficiaries Currently Receiving Benefits	<u>7</u>	<u>7</u>
Total	<u>13</u>	<u>14</u>

B. Net Pension Liability

Actuarial Assumptions: The total pension liability for both plans was determined by an actuarial valuation as of January 1, 2019 and rolled forward to December 31, 2019 using the following significant actuarial assumptions applied to all periods included in the measurement:

Inflation:	2.75%
Salary Increases:	4.0% GEPP/4.5% PPP
Mortality:	RP-2014 mortality table
Expected Long-Term Rate of Return:	6.0%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected Returns, net of inflation and investment expenses not funded through the MMO) 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 rates of return for each major asset class included in the target asset allocation as of December 31, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real ROR</u>
Equities	6.3%
Fixed Income	2.0%
Cash and Equivalents	0.0%

Borough of Oakmont
Notes to Financial Statements
December 31, 2019

Discount Rate: The discount rate used to measure the total pension liability was 6.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made equal to the Minimum Municipal Obligation. Based on those assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

C. Changes in the Net Pension Liability

Changes in the Borough's net pension liability for the year ended December 31, 2019 were as follows:

Police Pension Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position* (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2018	\$ 3,940,654	\$3,081,197	\$ 859,457
Changes for the Year:			
Service Cost	91,901	-	91,901
Interest	236,762	-	236,762
Difference between Expected and Actual Experience	21,445	-	21,445
Contributions - Employer	-	202,170	(202,170)
Contributions - Employee	-	16,798	(16,798)
Net Investment Income	-	479,954	(479,954)
Benefit Payments and Refunds of Employee Contributions	(219,133)	(219,133)	-
Administrative Expense	-	(35,487)	35,487
Net Changes	<u>130,975</u>	<u>444,302</u>	<u>(313,327)</u>
Balances at December 31, 2019	<u>\$ 4,071,629</u>	<u>\$3,525,499</u>	<u>\$ 546,130</u>

Borough of Oakmont
Notes to Financial Statements
December 31, 2019

General Employees' Pension Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position* (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2018	\$ 2,412,651	\$ 1,661,723	\$ 750,928
Changes for the Year:			
Service Cost	83,402	-	83,402
Interest	141,206	-	141,206
Difference between Expected and Actual Experience	(84,006)	-	(84,006)
Contributions - Employer	-	171,854	(171,854)
Contributions - Employee	-	15,863	(15,863)
Net Investment Income	-	260,660	(260,660)
Benefit Payments and Refunds of Employee Contributions	(118,946)	(118,946)	-
Administrative Expense	-	(27,542)	27,542
	<u>21,656</u>	<u>301,889</u>	<u>(280,233)</u>
Net Changes			
Balances at December 31, 2019	<u>\$ 2,434,307</u>	<u>\$ 1,963,612</u>	<u>\$ 470,695</u>

*Net position per schedule includes accrued interest receivable which is not reported on the pension fund financial statements included in the report since the statements are reported on the modified cash basis.

Sensitivity of the net pension liability to changes in the discount rate: The following shows effect of a 1% change in the discount rate on the net pension liability:

	1.00% Decrease 5.0%	Current Discount Rate 6.0%	1.00% Increase 7.0%
Net Pension Liability			
PPP	\$ 1,013,703	\$ 546,130	\$ 155,775
GEPP	\$ 716,782	\$ 470,695	\$ 258,455

D. Pension Expense

For the year ended December 31, 2019, the Borough recognized pension expense of \$202,170 and \$171,854 to the Police Pension and General Employees' Pension Plans, respectively, on the modified cash basis. The Borough does not report any deferred inflows or outflows related to pensions under GASBS 68 due to the statements being reported on the modified cash basis of accounting.

**Borough of Oakmont
Notes to Financial Statements
December 31, 2019**

Note 10 - Risk Management

The Borough of Oakmont is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The Borough also purchases commercial insurance for its employee health and accident insurance coverage. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

Note 11 - Operating Leases

The Borough and Oakmont Carnegie Library is committed under lease agreements for various computer and copier equipment. These leases are considered for accounting purposes to be operating leases. The following is a schedule by years of future minimum payments required under these operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2019:

Year Ended December 31,	Borough	Library
2020	\$ 5,634	\$ 3,600
2021	5,634	-
2022	5,634	-
	\$ 16,902	\$ 3,600

For the year ended December 31, 2019, the rental expense for the operating leases was \$7,200 and \$5,634 for the Library and Borough, respectively.

Note 12 - Lease Agreement

The Borough, as lessor, entered into a lease agreement whereby the Borough leased a parcel of land for communication facilities. The lease terminates in 2035. The total rent received in 2019 was \$17,820.

Note 13 - Other Post-Employment Benefit Plan

A. Plan Description

The Borough of Oakmont administers a single-employer defined benefit post-employment benefit plan. The plan provides medical premium reimbursement and life insurance benefits to police and public works retirees. Benefit provisions are mostly established through negotiations between the Borough and union or group representing the employees. The plan does not issue a publicly available financial report.

1. Police

Eligibility:	Retiring from Borough employment after attaining age 55 and after completing 25 years of service or after a service-related disability. Officers who participate in the DROP become eligible for OPEB after DROP period ends.
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Borough of Oakmont
Notes to Financial Statements
December 31, 2019

Benefits:	The Borough will pay 90% of the monthly cost of the health insurance premium in effect for an active bargaining unit employee to the retiree. The amount will continue to be paid monthly for 36 months after retirement, or until the retiree becomes eligible for Medicare, dies, or obtains equivalent coverage elsewhere, whichever occurs first. For those who retire after February 14, 2018, the benefits will be paid monthly for 18 months.
Hospitalization Plans Available:	<i>Western Pennsylvania Teamsters and Employees Welfare Fund</i> Select Blue Point of Service Plan 9-A; Dental Plan Option and Vision Plan Option.
Retiree Contribution:	The retiree must contribute the difference between the charged premium and the payment provided by the Borough, if any.
Life Insurance:	If retired after January 1, 1977, the Borough will provide a paid-up life insurance policy in the amount of \$1,000. As the premiums for this coverage are paid during the working lifetime of the retiring participant, no OPEB liability exists for this benefit.

2. Local Union 249 Public Works Employees

Eligibility:	Retiring from Borough employment at the earliest of <ul style="list-style-type: none">• attaining age 55 and after completing 35 years of service• attaining age 62 and after completing 25 years of service• attaining age 65 and after completing 20 years of service
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Life Insurance:	The Borough will provide a paid-up life insurance policy in the amount of \$5,000. As the premiums for this coverage are paid during the working lifetime of the retiring participant, no OPEB liability exists for this benefit.
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3. Non-Uniformed Non-Union Employees

No post-employment benefits are provided by the Borough.

Borough of Oakmont
Notes to Financial Statements
December 31, 2019

B. Funding Policy

Memberships of the plan are as follows, based on the latest actuarial evaluation reports dated January 1, 2018:

Active Members	6
Retired Participants	<u>2</u>
 Total	 <u><u>8</u></u>

C. Total OPEB Liability

The Borough's total OPEB liability of \$76,519 was measured as of January 1, 2018, and was determined by an actuarial valuation as of that date.

D. Actuarial Methods and Assumptions

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Discount Rate	3.25%
Healthcare Cost Trend Rates	6.0% increase for 2019. Decreasing to 5.50% for 2020 and decreasing to 5.25% for 2021-2022 until reaching 5.0% in 2023 and later.

The discount rate was based on an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the RP-2014 Mortality Table with 50% of the Blue Collar Adjustment.

The actuarial assumptions used in the January 1, 2018 valuation were selected using input from the Borough based upon actual experience.

E. Change in the Total OPEB Liability

	Total OPEB Liability
Balance at January 1, 2019	\$ 97,575
Changes for the year:	
Service Cost	5,416
Interest	2,874
Benefit Payments	<u>(29,346)</u>
Net Changes	<u>(21,056)</u>
Balance at December 31, 2019	<u><u>\$ 76,519</u></u>

Borough of Oakmont
Notes to Financial Statements
December 31, 2019

F. Changes of Assumptions and Other Inputs

- Changed the discount rate from 4.50% to 3.25%.
- Assumptions for mortality and healthcare costs were updated and the retirement assumption was changed.

G. Sensitivity of the Total Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.25%) or one percentage point higher (4.25%) than the current discount rate:

	1.00% Decrease	Current Discount Rate	1.00% Increase
	2.25%	3.25%	4.25%
Total OPEB Liability	\$ 79,935	\$ 76,519	\$ 73,236

H. Sensitivity of the Total Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
Total OPEB Liability	\$ 69,938	\$ 76,519	\$ 84,097

I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the Borough recognized OPEB Expense of \$8,290. At December 31, 2019, the Borough reported no deferred outflows and deferred inflows of resources related to OPEB.

Note 14 – Subsequent Events

The COVID-19 outbreak in the United States has caused business disruption and economic uncertainties. The Borough's operations are heavily dependent on the ability to raise and collect taxes and assess fees. Additionally, access to grants and contracts from federal, state and local governments may decrease or may not be available depending on appropriations. The outbreak may have a continued adverse impact on economic and market conditions. This situation is expected to impact the Borough's operating results and the fair value of its investments, however, the financial impact of these uncertainties is unknown at this time.

OTHER INFORMATION SECTION

Borough of Oakmont
Schedule of Revenues, Expenditures
and Changes in Fund Balance – Modified Cash Basis –
General Fund – Budget and Actual
Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Real Estate Taxes				
Current	\$ 1,936,127	\$ 1,936,127	\$ 1,930,410	\$ (5,717)
Delinquent	10,000	10,000	21,251	11,251
Liened	90,000	90,000	70,253	(19,747)
Regional Asset District Sales Tax	120,000	120,000	131,916	11,916
Real Estate Transfer Taxes	200,000	200,000	250,583	50,583
Earned Income Taxes/Wage Taxes	1,200,000	1,200,000	1,299,149	99,149
Local Service Taxes	150,000	150,000	158,766	8,766
Total Taxes	<u>3,706,127</u>	<u>3,706,127</u>	<u>3,862,328</u>	<u>156,201</u>
Licenses and Permits				
Cable Television Franchise	165,000	165,000	159,016	(5,984)
All Other Licenses and Permits	6,950	6,950	8,537	1,587
Total Licenses and Permits	<u>171,950</u>	<u>171,950</u>	<u>167,553</u>	<u>(4,397)</u>
Fines and Forfeits	<u>41,175</u>	<u>41,175</u>	<u>35,497</u>	<u>(5,678)</u>
Interest, Rents and Royalties				
Interest Earnings	2,000	2,000	7,130	5,130
Rents and Royalties	14,500	14,500	12,875	(1,625)
Total Interest, Rents and Royalties	<u>16,500</u>	<u>16,500</u>	<u>20,005</u>	<u>3,505</u>
Intergovernmental				
State				
All Other State Capital & Operating Grants	-	-	767	767
Public Utility Realty Tax	3,600	3,600	3,312	(288)
General Municipal Pension System State Aid	70,000	70,000	78,758	8,758
Alcoholic Beverage Taxes	3,200	3,200	3,400	200
Foreign Fire Insurance Tax Distribution	35,000	35,000	40,226	5,226
Total Intergovernmental	<u>111,800</u>	<u>111,800</u>	<u>126,463</u>	<u>14,663</u>

**Borough of Oakmont
Schedule of Revenues, Expenditures
and Changes in Fund Balance – Modified Cash Basis –
General Fund – Budget and Actual
Year Ended December 31, 2019**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges for Services				
General Government	28,000	28,000	12,311	(15,689)
Public Safety	97,400	97,400	146,249	48,849
All Other Charges for Highways & Street Svcs.	17,520	17,520	978	(16,542)
Culture-Recreation	82,500	82,500	71,920	(10,580)
	<u>225,420</u>	<u>225,420</u>	<u>231,458</u>	<u>6,038</u>
Total Charges for Services				
Miscellaneous Revenue				
Contributions & Donations	500	500	-	(500)
Other Miscellaneous Revenue	49,252	49,252	31,605	(17,647)
	<u>49,752</u>	<u>49,752</u>	<u>31,605</u>	<u>(18,147)</u>
Total Miscellaneous Revenue				
Total Revenues	<u>4,322,724</u>	<u>4,322,724</u>	<u>4,474,909</u>	<u>152,185</u>
Expenditures				
General Government				
Legislative Body				
Personal Services	293,542	293,542	201,511	92,031
Supplies	12,350	12,350	14,559	(2,209)
Other Services & Charges	40,070	40,070	41,759	(1,689)
Capital Purchase	5,000	5,000	7,029	(2,029)
Financial Administration				
Personal Services	64,180	64,180	71,117	(6,937)
Other Services & Charges	18,472	18,472	20,871	(2,399)
Tax Collection				
Other Services & Charges	39,000	39,000	18,498	20,502
Law				
Other Services & Charges	68,500	68,500	85,180	(16,680)
Data Processing				
Supplies	21,800	21,800	4,702	17,098
Other Services & Charges	20,500	20,500	27,722	(7,222)
Engineer				
Other Services & Charges	77,000	77,000	96,188	(19,188)
General Gov't Building & Plant				
Other Services & Charges	39,375	39,375	29,873	9,502
Capital Purchase	15,000	15,000	9,707	5,293
	<u>714,789</u>	<u>714,789</u>	<u>628,716</u>	<u>86,073</u>
Total General Government				

Borough of Oakmont
Schedule of Revenues, Expenditures
and Changes in Fund Balance – Modified Cash Basis –
General Fund – Budget and Actual
Year Ended December 31, 2019

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety				
Police				
Personal Services	1,310,048	1,310,048	1,324,828	(14,780)
Supplies	37,993	37,993	33,116	4,877
Other Services & Charges	55,450	55,450	59,447	(3,997)
Capital Purchase	75,000	75,000	11,459	63,541
Fire				
Personal Services	20,500	20,500	14,996	5,504
Supplies	2,500	2,500	1,261	1,239
Other Services & Charges	60,350	60,350	50,698	9,652
Contributions, Grants & Subs.	37,500	37,500	42,726	(5,226)
Capital Purchase	15,000	15,000	6,099	8,901
UCC & Code Enforcement				
Other Services & Charges	85,000	85,000	109,300	(24,300)
Capital Purchase	250	250	-	250
Planning and Zoning				
Personal Services	17,000	17,000	10,820	6,180
Other Services & Charges	7,500	7,500	3,855	3,645
Capital Purchase	10,000	10,000	2,006	7,994
	1,734,091	1,734,091	1,670,611	63,480
Total Public Safety				
Public Works - Highways				
General Service - Administration				
Personal Services	377,315	377,315	371,278	6,037
Supplies	40,300	40,300	28,867	11,433
Other Services & Charges	65,425	65,425	76,449	(11,024)
Capital Purchase	51,000	51,000	235,136	(184,136)
Winter Maintenance-Snow Removal				
Supplies	106,395	106,395	84,318	22,077
Traffic Control Devices				
Other Services & Charges	41,250	41,250	30,581	10,669
Street Lighting				
Other Services & Charges	84,000	84,000	90,063	(6,063)
Sidewalks and Crosswalks				
Other Services & Charges	500	500	-	500
	766,185	766,185	916,692	(150,507)
Total Public Works-Highways				

Borough of Oakmont
Schedule of Revenues, Expenditures
and Changes in Fund Balance – Modified Cash Basis –
General Fund – Budget and Actual
Year Ended December 31, 2019

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Culture - Recreation				
Parks				
Personal Services	132,509	132,509	101,831	30,678
Supplies	14,700	14,700	13,771	929
Other Services & Charges	190,873	190,873	89,668	101,205
Capital Purchase	19,369	19,369	27,212	(7,843)
Shade Trees				
Supplies	5,000	5,000	3,092	1,908
Other Services & Charges	70,000	70,000	69,860	140
Libraries				
Contributions, Grants & Subs.	290,000	290,000	290,000	-
Civil & Military Celebrations				
Other Services & Charges	400	400	400	-
Senior Citizens' Centers				
Contributions, Grants & Subs.	7,000	7,000	7,000	-
Total Culture - Recreation	<u>729,851</u>	<u>729,851</u>	<u>602,834</u>	<u>127,017</u>
Miscellaneous				
Other Employee Benefits	<u>1,600</u>	<u>1,600</u>	<u>1,305</u>	<u>295</u>
Debt Service				
Debt				
Principal	40,000	40,000	40,000	-
Interest	15,470	15,470	15,470	-
Fiscal Agent's Fee	<u>120</u>	<u>120</u>	<u>120</u>	<u>-</u>
Total Debt Service	<u>55,590</u>	<u>55,590</u>	<u>55,590</u>	<u>-</u>
Total Expenditures	<u>4,002,106</u>	<u>4,002,106</u>	<u>3,875,748</u>	<u>126,358</u>

**Borough of Oakmont
Schedule of Revenues, Expenditures
and Changes in Fund Balance – Modified Cash Basis –
General Fund – Budget and Actual
Year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses)				
Proceeds of Capital Assets Distribution	2,000	2,000	10,144	(8,144)
Transfers In	124,600	124,600	-	124,600
Transfers Out				
Sewer Fund	(124,600)	(124,600)	-	(124,600)
Special Revenue Fund	(10,000)	(10,000)	(10,000)	-
Capital Projects Fund	<u>(620,000)</u>	<u>(620,000)</u>	<u>(667,950)</u>	<u>47,950</u>
Total Other Financing Sources (Uses)	<u>(628,000)</u>	<u>(628,000)</u>	<u>(667,806)</u>	<u>39,806</u>
Total Expenditures and Other Financing Sources (Uses)	<u>4,630,106</u>	<u>4,630,106</u>	<u>4,543,554</u>	<u>86,552</u>
Net Change in Fund Balance	(307,382)	(307,382)	(68,645)	238,737
Fund Balance - January 1, 2019	<u>612,705</u>	<u>612,705</u>	<u>630,552</u>	<u>17,847</u>
Fund Balance - December 31, 2019	<u>\$ 305,323</u>	<u>\$ 305,323</u>	<u>\$ 561,907</u>	<u>\$ 256,584</u>

**Borough of Oakmont
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2019**

1. Schedule of Changes in the Borough's Net Pension Liability and Related Ratios

	Police Pension Plan					
	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 91,901	\$ 90,081	\$ 86,202	\$ 74,149	\$ 70,956	\$ 69,982
Interest	236,762	229,348	222,344	221,916	213,447	208,186
Change in Assumptions	-	-	321,685	-	-	-
Difference Between Expected and Actual Experience	21,445	-	(157,822)	-	(66,833)	-
Benefit payments	(219,133)	(219,133)	(172,924)	(187,326)	(128,215)	(134,442)
Net Change in Total Pension Liability	130,975	100,296	299,485	108,739	89,355	143,726
Total Pension Liability - Beginning	3,940,654	3,840,358	3,540,873	3,432,134	3,342,779	3,182,980
Total Pension Liability - Ending (a)	4,071,629	3,940,654	3,840,358	3,540,873	3,432,134	3,326,706
Plan Fiduciary Net Position						
Contributions - Employer	202,170	192,410	121,121	131,328	131,244	106,718
Contributions - Member	16,798	13,873	13,054	14,090	15,999	14,167
Net Investment Income	479,954	(23,889)	349,107	104,710	(38,788)	100,922
Benefit Payments	(219,133)	(219,133)	(172,924)	(187,326)	(128,215)	(134,442)
Administrative Expenses	(35,487)	(30,200)	(32,469)	(32,560)	(26,513)	(12,571)
Net Change in Plan Fiduciary Net Position	444,302	(66,939)	277,889	30,242	(46,273)	74,794
Plan Fiduciary Net Position - Beginning	3,081,197	3,148,136	2,870,247 **	2,841,347	2,887,620	2,784,819
Plan Fiduciary Net Position - Ending (b)*	3,525,499	3,081,197	3,148,136	2,871,589	2,841,347	2,859,613
Borough's Net Pension Liability (a-b)	\$ 546,130	\$ 859,457	\$ 692,222	\$ 669,284	\$ 590,787	\$ 467,093

**Borough of Oakmont
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2019**

	Police Pension Plan					
	2019	2018	2017	2016	2015	2014
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.59%	78.19%	81.98%	81.10%	82.79%	85.96%
Covered Payroll	<u>\$ 648,258</u>	<u>\$ 557,831</u>	<u>\$ 524,896</u>	<u>\$ 571,294</u>	<u>\$ 609,337</u>	<u>\$ 571,143</u>
Borough's Net Pension Liability as a Percentage of Covered Payroll	84.25%	154.07%	131.88%	117.15%	96.96%	81.78%

The information reported above is the information which was available upon implementation of the new reporting standard, 10 years of information will be reported when available.

*Amount is different than amount per cash basis financial statements due to accrued interest receivable.

**Previously reported 2016 balance decreased by \$1,342 from prior amount due to accrual adjustment.

**Borough of Oakmont
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2019**

	General Employees' Pension Plan					
	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 83,402	\$ 69,753	\$ 67,070	\$ 50,715	\$ 48,531	\$ 43,599
Interest	141,206	141,000	137,468	129,310	126,854	122,762
Change in Assumptions	-	-	241,347	-	-	-
Difference Between Expected and Actual Experience	(84,006)	-	5,720	-	19,603	-
Benefit payments	<u>(118,946)</u>	<u>(154,452)</u>	<u>(142,443)</u>	<u>(140,785)</u>	<u>(138,835)</u>	<u>(117,380)</u>
Net Change in Total Pension Liability	21,656	56,301	309,162	39,240	56,153	48,981
Total Pension Liability - Beginning	<u>2,412,651</u>	<u>2,356,350</u>	<u>2,047,188</u>	<u>2,007,948</u>	<u>1,951,795</u>	<u>1,891,826</u>
Total Pension Liability - Ending (a)	<u>2,434,307</u>	<u>2,412,651</u>	<u>2,356,350</u>	<u>2,047,188</u>	<u>2,007,948</u>	<u>1,940,807</u>
Plan Fiduciary Net Position						
Contributions - Employer	171,854	158,754	108,800	94,017	94,947	82,381
Contributions - Member	15,863	14,863	15,658	14,168	12,636	13,790
Net Investment Income	260,660	(11,385)	183,529	54,303	(15,811)	62,050
Benefit Payments	(118,946)	(154,452)	(142,443)	(140,785)	(138,835)	(117,380)
Administrative Expenses	<u>(27,542)</u>	<u>(16,735)</u>	<u>(19,319)</u>	<u>(19,741)</u>	<u>(15,038)</u>	<u>(8,393)</u>
Net Change in Plan Fiduciary Net Position	301,889	(8,955)	146,225	1,962	(62,101)	32,448
Plan Fiduciary Net Position - Beginning	<u>1,661,723</u>	<u>1,670,678</u>	<u>1,524,453</u>	<u>1,522,491</u>	<u>1,584,592</u>	<u>1,541,156</u>
Plan Fiduciary Net Position - Ending (b)*	<u>1,963,612</u>	<u>1,661,723</u>	<u>1,670,678</u>	<u>1,524,453</u>	<u>1,522,491</u>	<u>1,573,604</u>
Borough's Net Pension Liability (a-b)	<u>\$ 470,695</u>	<u>\$ 750,928</u>	<u>\$ 685,672</u>	<u>\$ 522,735</u>	<u>\$ 485,457</u>	<u>\$ 367,203</u>

**Borough of Oakmont
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2019**

	General Employees' Pension Plan					
	2019	2018	2017	2016	2015	2014
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.66%	68.88%	70.90%	74.47%	75.82%	81.08%
Covered Payroll	<u>\$ 454,023</u>	<u>\$ 427,603</u>	<u>\$ 389,374</u>	<u>\$ 413,569</u>	<u>\$ 415,888</u>	<u>\$ 394,005</u>
Borough's Net Pension Liability as a Percentage of Covered Payroll	103.67%	175.61%	176.10%	126.40%	116.73%	93.20%

*This amount is different than amount per financial statements due to accrued interest receivable included.

The information reported above is the information which was available upon implementation of the new reporting standard, 10 years of information will be reported when available.

**Borough of Oakmont
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2019**

2. Schedule of Contributions

	Police Pension Plan					
	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 202,170	\$ 192,410	\$ 121,121	\$ 131,328	\$ 131,244	\$ 105,979
Contributions in Relation to the Actuarially Determined Contribution	<u>202,170</u>	<u>192,410</u>	<u>121,121</u>	<u>131,328</u>	<u>131,244</u>	<u>105,979</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 648,258</u>	<u>\$ 557,831</u>	<u>\$ 524,896</u>	<u>\$ 571,294</u>	<u>\$ 609,337</u>	<u>\$ 571,143</u>
Contributions as a Percentage of Covered Payroll	31.19%	34.49%	23.08%	22.99%	21.54%	18.56%
	General Employees' Pension Plan					
	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 171,854	\$ 158,754	\$ 108,800	\$ 94,017	\$ 94,947	\$ 82,381
Contributions in Relation to the Actuarially Determined Contribution	<u>171,854</u>	<u>158,754</u>	<u>108,800</u>	<u>94,017</u>	<u>94,947</u>	<u>82,381</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 454,023</u>	<u>\$ 427,603</u>	<u>\$ 398,374</u>	<u>\$ 413,659</u>	<u>\$ 415,887</u>	<u>\$ 394,005</u>
Contributions as a Percentage of Covered Payroll	37.85%	37.13%	27.31%	22.73%	22.83%	20.91%

The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.

**Borough of Oakmont
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2019**

3. Investment Returns

	Police Pension Plan					
	2019	2018	2017	2016	2015	2014
Annual Money Weighted Rate of Return Net of Investment Expenses	14.48%	-0.77%	11.60%	3.67%	N/A	N/A
	General Employees' Pension Plan					
	2019	2018	2017	2016	2015	2014
Annual Money Weighted Rate of Return Net of Investment Expenses	14.37%	-0.68%	11.49%	3.56%	N/A	N/A

The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.

Borough of Oakmont
Note to Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2019

Assumptions and methods used to determine the contribution rates for both Police and General Employees' Pension Plans:

- Actuarial Valuation Date: 01/01/19
- Actuarial Cost Method: entry age
- Amortization Period: level dollar based upon the amortization periods in Act 205
- Asset valuation method: 4-year smoothing
- Discount Rate: 6.0%
- Inflation: 2.75%
- Salary increases: 4.5% per year - police, 4.0% - general employees
- Mortality Table - RP-2014 Mortality Table with 50% of the blue collar adjustment, rates set forward 5years for disabled members

**Borough of Oakmont
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability
and Related Ratios
Last Three Years**

	December 31, 2019	December 31, 2018	December 31, 2017
Total OPEB Liability			
Service Cost	\$ 5,416	\$ 5,271	\$ -
Interest	2,874	3,515	-
Benefit Payments	<u>(29,346)</u>	<u>(27,968)</u>	<u>-</u>
Net Change in Total OPEB Liability	(21,056)	(19,182)	-
Total OPEB Liability - Beginning	<u>97,575</u>	<u>116,757</u>	<u>N/A</u>
Total OPEB Liability - Ending	<u>\$ 76,519</u>	<u>\$ 97,575</u>	<u>\$ 116,757</u>
Covered Payroll	\$ 482,741	\$ 482,741	N/A
Total OPEB Liability as a Percentage of Covered Payroll	15.85%	20.21%	N/A

Notes to Schedule:

GASB 75 was implemented beginning with fiscal year ended December 31, 2018.

Assumption Changes:

Discount rate used for fiscal year ending December 31, 2019 was 3.25%.

The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.

**COMBINING AND INDIVIDUAL
FUND SECTION**

Borough of Oakmont
Combining Balance Sheet – Modified Cash Basis
Nonmajor Governmental Funds
December 31, 2019

	Special Revenue Funds	Capital Projects Funds		
	Liquid Fuels Fund	Parks Fund	Oakmont Boulevard Project Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 5,015	\$ 134,005	\$ 133,952	\$ 272,972
LIABILITIES AND FUND BALANCES				
Liabilities	-	-	-	-
Fund Balances				
Restricted	5,015	-	-	5,015
Assigned	-	134,005	133,952	267,957
Total Fund Balances	5,015	134,005	133,952	272,972
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,015	\$ 134,005	\$ 133,952	\$ 272,972

Borough of Oakmont
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances – Modified Cash Basis
Nonmajor Governmental Funds
Year Ended December 31, 2019

	Special Revenue Funds	Capital Projects Funds		Total Nonmajor Governmental Funds
	Liquid Fuels Fund	Parks Fund	Oakmont Boulevard Project Fund	
Revenues				
Interest, Rents, and Royalties	\$ 66	\$ 34,442	\$ 901	\$ 35,409
Intergovernmental	201,471	3,948	-	205,419
Miscellaneous	-	12,991	33,370	46,361
Total Revenues	<u>201,537</u>	<u>51,381</u>	<u>34,271</u>	<u>287,189</u>
Expenditures				
Current:				
Public Works - Highway	206,296	-	-	206,296
Culture - Recreation	-	54,625	109,128	163,753
Total Expenditures	<u>206,296</u>	<u>54,625</u>	<u>109,128</u>	<u>370,049</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,759)</u>	<u>(3,244)</u>	<u>(74,857)</u>	<u>(82,860)</u>
Other Financing Sources (Uses)				
Transfers In	-	35,000	80,000	115,000
Net Changes in Fund Balances	(4,759)	31,756	5,143	32,140
Fund Balances - January 1, 2019	<u>9,774</u>	<u>102,249</u>	<u>128,809</u>	<u>240,832</u>
Fund Balances - December 31, 2019	<u>\$ 5,015</u>	<u>\$ 134,005</u>	<u>\$ 133,952</u>	<u>\$ 272,972</u>

Borough of Oakmont
Combining Schedule of Net Position
Modified Cash Basis
Fiduciary Funds
December 31, 2019

	Pension Trust Funds		Totals
	Police Pension Fund	General Employees' Pension Fund	
ASSETS			
Cash and Cash Equivalents	\$ 18,444	\$ 17,791	\$ 36,235
Investments			
Common Stock	1,487,202	828,317	2,315,519
Fixed Income	2,002,580	1,110,573	3,113,153
Notes Receivable	3,142	-	3,142
TOTAL ASSETS	3,511,368	1,956,681	5,468,049
NET POSITION			
Net Position Restricted for Pensions	\$ 3,511,368	\$ 1,956,681	\$ 5,468,049

Borough of Oakmont
Combining Schedule of Changes in Net Position
Modified Cash Basis
Fiduciary Funds
Year Ended December 31, 2019

	<u>Pension Trust Funds</u>		Totals
	Police Pension Fund	General Employees' Pension Fund	
Additions			
Contributions			
Employer	\$ 202,170	\$ 171,854	\$ 374,024
Plan Members	<u>16,206</u>	<u>15,891</u>	<u>32,097</u>
Total Contributions	<u>218,376</u>	<u>187,745</u>	<u>406,121</u>
Investment Income			
Net Appreciation in Fair Value of Investments	418,422	226,572	644,994
Interest and Dividends	57,625	33,060	90,685
Less: Investment Expense	<u>(29,922)</u>	<u>(17,072)</u>	<u>(46,994)</u>
Net Investment Income	<u>446,125</u>	<u>242,560</u>	<u>688,685</u>
Total Additions	<u>664,501</u>	<u>430,305</u>	<u>1,094,806</u>
Deductions			
Benefits	219,132	118,945	338,077
Administrative Expenses	<u>5,565</u>	<u>10,470</u>	<u>16,035</u>
Total Deductions	<u>224,697</u>	<u>129,415</u>	<u>354,112</u>
Change in Net Position	439,804	300,890	740,694
Net Position Restricted for Pensions			
Beginning of Year	<u>3,071,564</u>	<u>1,655,791</u>	<u>4,727,355</u>
End of Year	<u>\$ 3,511,368</u>	<u>\$ 1,956,681</u>	<u>\$ 5,468,049</u>

**Borough of Oakmont
Balance Sheet
Modified Cash Basis
Oakmont Carnegie Library – Component Unit
December 31, 2019**

ASSETS	
Cash and Cash Equivalents	\$ 8,930
Investments	805,732
Taxes Receivable	<u>16,157</u>
TOTAL ASSETS	<u>830,819</u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Due to Primary Government	<u>8,814</u>
Fund Balances	
Restricted	805,732
Unassigned	<u>16,273</u>
Total Fund Balances	<u>822,005</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 830,819</u></u>

Borough of Oakmont
Statement of Revenues, Expenditures
and Changes in Fund Balance
Modified Cash Basis
Oakmont Carnegie Library – Component Unit
Year Ended December 31, 2019

Revenues	
Fines and Forfeits	\$ 14,716
Investment Income	29,791
Intergovernmental	
State Aid	33,484
Allegheny County Library Association	113,408
Contributions from the Borough of Oakmont	290,000
Other State Grants	52,633
Charges for Services	7,997
Contributions	757,668
Miscellaneous	<u>1,260</u>
 Total Revenues	 <u>1,300,957</u>
Expenditures	
Current:	
Culture - Recreation	
Libraries	
Personal Services	271,458
Collections	57,262
Office and Computer Supplies	18,176
Supplies	11,406
Programs	3,750
Postage and Printing	2,297
Professional Services	760
Maintenance of Building and Equipment	37,423
Utilities	36,915
Insurance	6,649
Capital Purchases	53,236
Miscellaneous	3,749
Debt Service:	
Principal	90,000
Interest	<u>14,175</u>
 Total Expenditures	 <u>607,256</u>
 Net Change in Fund Balance	 693,701
 Fund Balance - January 1 , 2019	 <u>128,304</u>
 Fund Balance - December 31, 2019	 <u>\$ 822,005</u>