

**Borough of Oakmont
Financial Statements
December 31, 2021**

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Independent Auditor's Report

Members of Council
Borough of Oakmont
Oakmont, Pennsylvania

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position 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, 2021, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting as described in Note 1C.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Oakmont, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - 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 opinions are not modified with respect to that matter.

Responsibilities of Management 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; and for 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 fraud or error.

Auditor's Responsibilities for the Audit of the 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 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, we:

- Exercise professional judgment 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 Oakmont'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 Oakmont'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.

Other Matters

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison information, pension and other post-employment benefit information, combining fund schedules and component unit financial statements but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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.

Respectfully submitted,

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
June 8, 2022

**Borough of Oakmont
Statement of Net Position
Modified Cash Basis
December 31, 2021**

Exhibit 1

	Governmental Activities	Business-Type Activities	Total	Component Unit (Oakmont Carnegie Library)
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 5,178,734	\$ 16,838,926	\$ 22,017,660	\$ 104,940
Investments	-	-	-	996,303
Taxes Receivable, Net	-	-	-	16,157
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	5,178,734	16,838,926	22,017,660	1,117,400
	<hr/>	<hr/>	<hr/>	<hr/>
LIABILITIES				
Current Liabilities				
Unearned Revenues	342,321	-	342,321	-
Other Current Liabilities	3,394	-	3,394	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	345,715	-	345,715	-
	<hr/>	<hr/>	<hr/>	<hr/>
NET POSITION				
Restricted	2,066,865	16,000,000	18,066,865	1,014,296
Unrestricted	2,766,154	838,926	3,605,080	103,104
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL NET POSITION	\$ 4,833,019	\$ 16,838,926	\$ 21,671,945	\$ 1,117,400
	<hr/>	<hr/>	<hr/>	<hr/>

See Accompanying Notes

**Borough of Oakmont
Statement of Activities
Modified Cash Basis
Year Ended December 31, 2021**

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	\$ 940,883	\$ 16,276	\$ 38,211	\$ (886,396)	\$ -	\$ (886,396)	\$ -
Public Safety	1,771,689	132,497	79,973	(1,559,219)	-	(1,559,219)	-
Public Works - Highways	1,045,588	43,627	320,199	(681,762)	-	(681,762)	-
Public Works - Other	158,239	-	-	(158,239)	-	(158,239)	-
Culture & Recreation	894,211	80,526	69,020	(744,665)	-	(744,665)	-
Principal and Interest on Long-Term Debt	<u>57,470</u>	<u>-</u>	<u>-</u>	<u>(57,470)</u>	<u>-</u>	<u>(57,470)</u>	<u>-</u>
Total Governmental Activities	<u>4,868,080</u>	<u>272,926</u>	<u>507,403</u>	<u>(4,087,751)</u>	<u>-</u>	<u>(4,087,751)</u>	<u>-</u>
Business-Type Activities:							
Sewer	<u>1,833,032</u>	<u>2,215,506</u>	<u>14,392</u>	<u>-</u>	<u>396,866</u>	<u>396,866</u>	<u>-</u>
Total Primary Government	<u>\$ 6,701,112</u>	<u>\$ 2,488,432</u>	<u>\$ 521,795</u>	<u>(4,087,751)</u>	<u>396,866</u>	<u>(3,690,885)</u>	<u>-</u>
Component Unit:							
Oakmont Carnegie Library	<u>\$ 560,477</u>	<u>\$ 14,290</u>	<u>\$ 644,923</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,736</u>
General Receipts							
Taxes							
Property Taxes Levied for General Purposes, Net				2,145,860	-	2,145,860	-
Earned Income Taxes				1,414,525	-	1,414,525	-
Real Estate Transfer Taxes				332,127	-	332,127	-
Other Taxes Levied for General Purposes, Net				288,541	-	288,541	-
Grants, Subsidies and Contributions not Restricted				6,085	-	6,085	-
Investment Earnings				882	-	882	78,505
Miscellaneous Income				263,991	-	263,991	2,859
Proceeds from Debt net of Refunding				18,252,344	-	18,252,344	-
Transfers				<u>(16,000,000)</u>	<u>16,000,000</u>	<u>-</u>	<u>-</u>
Total General Receipts				<u>6,704,355</u>	<u>16,000,000</u>	<u>22,704,355</u>	<u>81,364</u>
Change in Net Position				<u>2,616,604</u>	<u>16,396,866</u>	<u>19,013,470</u>	<u>180,100</u>
Net Position - January 1, 2020				<u>2,216,415</u>	<u>442,060</u>	<u>2,658,475</u>	<u>937,300</u>
Net Position - December 31, 2020				<u>\$ 4,833,019</u>	<u>\$ 16,838,926</u>	<u>\$ 21,671,945</u>	<u>\$ 1,117,400</u>

See Accompanying Notes

Borough of Oakmont
Balance Sheet – Modified Cash Basis
Governmental Funds
December 31, 2021

Exhibit 3

	General Fund	Capital Reserve Fund	Non-Major Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	<u>\$ 1,428,484</u>	<u>\$ 2,729,101</u>	<u>\$ 1,021,149</u>	<u>\$ 5,178,734</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Unearned Revenues	\$ 342,321	\$ -	\$ -	\$ 342,321
Other Current Liabilities	<u>3,394</u>	<u>-</u>	<u>-</u>	<u>3,394</u>
Total Liabilities	<u>345,715</u>	<u>-</u>	<u>-</u>	<u>345,715</u>
Fund Balances				
Restricted	-	2,060,522	6,343	2,066,865
Assigned	-	668,579	1,014,806	1,683,385
Unassigned	<u>1,082,769</u>	<u>-</u>	<u>-</u>	<u>1,082,769</u>
Total Fund Balances	<u>1,082,769</u>	<u>2,729,101</u>	<u>1,021,149</u>	<u>4,833,019</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 1,428,484</u></u>	<u><u>\$ 2,729,101</u></u>	<u><u>\$ 1,021,149</u></u>	<u><u>\$ 5,178,734</u></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, 2021

	General Fund	Capital Reserve Fund	Non-Major Funds	Exhibit 4 Total Governmental Funds
Revenues				
Taxes	\$ 4,181,053	\$ -	\$ -	\$ 4,181,053
Licenses and Permits	160,403	-	-	160,403
Fines and Forfeits	40,225	-	-	40,225
Interest, Rents and Royalties	14,576	763	35,714	51,053
Intergovernmental	273,763	-	184,466	458,229
Charges for Services	232,701	-	-	232,701
Miscellaneous	29,572	10	79,094	108,676
Total Revenues	<u>4,932,293</u>	<u>773</u>	<u>299,274</u>	<u>5,232,340</u>
Expenditures				
Current:				
General Government	727,704	-	210,987	938,691
Public Safety	1,771,689	-	-	1,771,689
Public Works - Highway	748,473	-	297,115	1,045,588
Public Works - Other	71,300	-	86,939	158,239
Culture - Recreation	638,668	-	255,543	894,211
Miscellaneous	1,007	-	665	1,672
Debt Service:				
Principal	45,000	-	-	45,000
Interest	12,990	-	-	12,990
Total Expenditures	<u>4,016,831</u>	<u>-</u>	<u>851,249</u>	<u>4,868,080</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>915,462</u>	<u>773</u>	<u>(551,975)</u>	<u>364,260</u>
Other Financing Sources (Uses)				
Transfers In	-	2,089,940	390,000	2,479,940
Issuance of Bonds	-	-	17,315,000	17,315,000
Premium on Bonds Issued	-	-	1,474,538	1,474,538
Payment to Refunded Bond Escrow Agent	-	-	(537,194)	(537,194)
Transfers Out	(419,418)	-	(18,060,522)	(18,479,940)
Total Other Financ. Sources (Uses)	<u>(419,418)</u>	<u>2,089,940</u>	<u>581,822</u>	<u>2,252,344</u>
Net Changes in Fund Balances	496,044	2,090,713	29,847	2,616,604
Fund Balances - January 1, 2021	<u>586,725</u>	<u>638,388</u>	<u>991,302</u>	<u>2,216,415</u>
Fund Balances - December 31, 2021	<u>\$ 1,082,769</u>	<u>\$ 2,729,101</u>	<u>\$ 1,021,149</u>	<u>\$ 4,833,019</u>

See Accompanying Notes

**Borough of Oakmont
Statement of Net Position
Modified Cash Basis
Proprietary Funds
December 31, 2021**

Exhibit 5

	Sewer Fund
ASSETS	
Current Assets	
Cash and Cash Equivalents	<u>\$ 16,838,926</u>
LIABILITIES	
Current Liabilities	<u>-</u>
NET POSITION	
Restricted	<u>\$ 16,838,926</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, 2021

Exhibit 6

	Sewer Fund
Operating Revenues	
Charges for Services	<u>\$ 2,215,506</u>
Operating Expenses	
Personal Services	499,741
Supplies	82,110
Other Services and Charges	<u>1,251,181</u>
Total Operating Expenses	<u>1,833,032</u>
Operating Income	<u>382,474</u>
Nonoperating Revenues (Expenses)	
Transfer from Debt Service Fund	16,000,000
Intergovernmental Revenues	<u>14,392</u>
Total Nonoperating Revenues (Expenses)	<u>16,014,392</u>
Change in Net Position	16,396,866
Net Position - January 1, 2021	<u>442,060</u>
Net Position - December 31, 2021	<u><u>\$ 16,838,926</u></u>

See Accompanying Notes

**Borough of Oakmont
Statement of Net Position
Modified Cash Basis
Fiduciary Funds
December 31, 2021**

Exhibit 7

	Pension Trust Funds
ASSETS	
Cash and Cash Equivalents	\$ 201,294
Investments	
Common Stock	3,212,947
Fixed Income	3,672,912
Notes Receivable	<u>842</u>
 TOTAL ASSETS	 <u>7,087,995</u>
 NET POSITION	
Net Position Restricted for Pensions	 <u>\$ 7,087,995</u>

See Accompanying Notes

**Borough of Oakmont
Statement of Changes in Net Position
Modified Cash Basis
Fiduciary Funds
Year Ended December 31, 2021**

Exhibit 8

	Pension Trust Funds
Additions	
Contributions	
Employer	\$ 411,691
Plan Members	<u>35,190</u>
Total Contributions	<u>446,881</u>
Investment Income	
Net Appreciation in Fair Value of Investments	451,297
Interest and Dividends	112,508
Less: Investment Expense	<u>(60,800)</u>
Net Investment Income	<u>503,005</u>
Total Additions	<u>949,886</u>
Deductions	
Benefits	376,313
Administrative Expenses	<u>2,550</u>
Total Deductions	<u>378,863</u>
Change in Net Position	571,023
Net Position - January 1, 2021	<u>6,516,972</u>
Net Position - December 31, 2021	<u>\$ 7,087,995</u>

See Accompanying Notes

Borough of Oakmont
Notes to Financial Statements
December 31, 2021

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 - 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, 2021

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.

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

Borough of Oakmont
Notes to Financial Statements
December 31, 2021

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, 2021

- 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, 2021

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
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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, 2021**

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, 2021, are as follows:

The restricted fund balance in the Capital Reserve Fund of \$2,060,522 is for future capital projects and is from the net 2021 bond proceeds. The restricted fund balance of \$6,343 in the nonmajor funds is restricted for highway maintenance, rebuilding and construction.

The assigned fund balances in the capital reserve and nonmajor funds are for the following purposes:

1. Kerr Museum	\$ 451,675
2. Future capital expenditures	137,712
3. Bicentennial	4,050
4. Reserve funds	300,000
5. Parks	52,199
6. Fire vehicle	174,618
7. Future road maintenance	358,970
8. Oakmont Boulevard improvements	153,472
9. Park improvements	50,689
Totals	\$ 1,683,385

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.

Borough of Oakmont
Notes to Financial Statements
December 31, 2021

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.

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, 2021, \$21,337,139 of the Borough's bank balance of \$22,288,433 was exposed to custodial credit risk as follows:

Uninsured and Collateral Held by Pledging	
Bank's Agent not in the Borough's Name	<u>\$21,337,139</u>

As of December 31, 2021, the component unit's bank balance of \$108,422 was not exposed to custodial credit risk.

As of December 31, 2021, the Borough had the following investments all held in the fiduciary funds:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Common Stock	\$ 3,212,947	
Mutual Funds	1,412,363	
U.S. Agencies	43,281	13.29
U.S. Treasuries	2,197,140	5.26
Corporate Bonds	<u>20,128</u>	1.32
	<u>\$ 6,885,859</u>	
Portfolio Weighted Average Maturity		5.38

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

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Notes to Financial Statements
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As of December 31, 2021, the component unit's investments of \$996,303 were comprised entirely of mutual funds.

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

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	31.00%
U.S. Government Agencies	AA	-	0.00%
U.S. Government Agencies	N/A	-	0.61%
U.S. Government Agencies	-	Aaa	0.39%
U.S. Government Agencies	-	N/A	0.23%
Corporate Obligations	A	-	0.28%
Corporate Obligations	-	A	0.28%

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, 2021, 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, 2021

The Borough has the following recurring fair value measurements as of December 31, 2021:

Investments by Fair Value Level	Totals	Fair Value Measurements		
		Level 1	Level 2	Level 3
Fixed Income:				
Corporate Bonds	\$ 20,128	\$ 20,128	\$ -	\$ -
Mutual Funds	1,412,363	1,412,363	-	-
U.S. Government Bonds & Notes	2,197,140	2,197,140	-	-
U.S. Government Agencies	43,281	-	43,281	-
Total Debt Securities	3,672,912	3,629,631	43,281	-
Equity Securities	3,212,947	3,212,947	-	-
Total Investments	\$ 6,885,859	\$ 6,842,578	\$ 43,281	\$ -

Note 5 - Interfund Transfers

For the year ended December 31, 2021, interfund transfers consisted of the following:

Transfers To	Transfer From		Totals
	General Fund	Debt Service Fund	
Capital Reserve Fund	\$ 29,418	\$ 2,060,522	\$ 2,089,940
Nonmajor Funds	390,000		390,000
Proprietary Fund - Sewer Fund	-	16,000,000	16,000,000
	<u>\$ 419,418</u>	<u>\$ 18,060,522</u>	<u>\$ 18,479,940</u>

The transfers from the general fund to the Oakmont Boulevard project fund (\$80,000), the Kerr Museum fund (\$10,000), the capital reserve fund (\$29,418) and capital projects roads fund (\$300,000) were approved per the annual budget for annual funding. The transfer from the debt service fund to the capital reserve fund (\$2,060,522) and to the sewer fund (\$16,000,000) were the net proceeds from the 2021 bonds issued.

Borough of Oakmont
Notes to Financial Statements
December 31, 2021

Note 6 - 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 2021 was 3.73 mills (\$3.73 per \$1,000 assessed valuation). The tax calendar for real estate taxes levied for 2021 is as follows:

Tax Levy Date	April 1, 2021
2% Discount Period	April 1 to May 31, 2021
Face Payment Period	June 1 to July 31, 2021
10% Penalty Period	August 1, 2021 until Liened

Note 7 - Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2021, was as follows:

	Balance 01/01/21	Additions	Retirements	Balance 12/31/21	Due Within One Year
Governmental Activities					
Bonds Payable					
General Obligation Bonds	<u>\$ 670,000</u>	<u>\$ 2,500,000</u>	<u>\$ 670,000</u>	<u>\$ 2,500,000</u>	<u>\$ 170,000</u>
Business-Type Activities					
Bonds Payable					
General Obligation Bonds	<u>\$ -</u>	<u>\$ 14,815,000</u>	<u>\$ -</u>	<u>\$ 14,815,000</u>	<u>\$ 345,000</u>

General Obligation Bonds - Governmental Activities

Series of 2021B in the amount of \$2,500,000; payable semi-annually on May 15 and November 15; interest fluctuates from 2.5% to 4.0% through 2051. The debt service source for this issue is the general fund and the library.

\$ 2,500,000

General Obligation Bonds - Business-Type Activities

Series of 2021A-1 in the amount of \$11,205,000; payable semi-annually on May 15 and November 15; interest fluctuates from 3.0% to 4.0% through 2046. The debt service source for this issue is the sewer fund.

\$ 11,205,000

Series of 2021A-2 in the amount of \$3,610,000; payable semi-annually on May 15 and November 15; interest at 2.625% through 2051. The debt service source for this issue is the sewer fund.

3,610,000

\$ 14,815,000

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The annual debt service requirements to maturity, including principal and interest, for the long-term debt as of December 31, 2021, are as follows:

Year Ended December 31,	Governmental Activities		Business-Type Activities		Totals
	Principal	Interest	Principal	Interest	
2022	\$ 170,000	\$ 69,646	\$ 345,000	\$ 432,936	\$ 1,017,582
2023	180,000	72,294	300,000	477,862	1,030,156
2024	185,000	65,094	315,000	465,862	1,030,956
2025	90,000	57,694	315,000	453,262	915,956
2026	95,000	54,093	325,000	440,663	914,756
2027-2031	260,000	231,269	1,810,000	1,998,913	4,300,182
2032-2036	310,000	184,069	2,165,000	1,671,613	4,330,682
2037-2041	355,000	137,294	2,575,000	1,321,063	4,388,357
2042-2046	400,000	90,219	3,055,000	850,012	4,395,231
2047-2051	<u>455,000</u>	<u>36,488</u>	<u>3,610,000</u>	<u>289,144</u>	<u>4,390,632</u>
	<u>\$ 2,500,000</u>	<u>\$ 998,160</u>	<u>\$ 14,815,000</u>	<u>\$ 8,401,330</u>	<u>\$ 26,714,490</u>

On December 28, 2021, the Borough issued \$2,500,000 Series 2021B bonds with interest rates from 2.5% to 4.0% to currently refund the outstanding 2011 general obligation bonds (\$245,000) and the outstanding 2012 bonds (\$290,000) with interest rates from 2.7% to 4.3% and provide funds for various capital projects. The net proceeds of \$537,194 (after payment of issuance costs and funds for capital projects of \$2,060,522) were used to currently refund the above bonds and outstanding interest. As a result, those bonds are considered defeased and the liability for those bonds has been removed as a liability in these financial statements.

Note 8 - 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.

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.

**Borough of Oakmont
Notes to Financial Statements
December 31, 2021**

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 \$81,554)	\$218,800	\$192,891
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, 2021**

Deferred Retirement Option Plan (DROP)	Yes	Yes
Effective Date	01/01/19	12/17/18

Memberships of the Plans are as follows, based on the latest actuarial valuation reports dated January 1, 2021:

	<u>PPP</u>	<u>GEPP</u>
Active Employees	7	7
Inactive Employees Entitled to But Not Yet Receiving Benefits	-	-
Inactive Employees or Beneficiaries Currently Receiving Benefits	<u>8</u>	<u>5</u>
Total	<u>15</u>	<u>12</u>

B. Net Pension Liability

Actuarial Assumptions: The total pension liability for both plans was determined by an actuarial valuation as of January 1, 2021 and rolled forward to December 31, 2021 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:	Pub-G-2010 for the GEPP and the Pub-S-2010 for the PPP
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, 2021 are summarized in the following table:

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

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, 2021 were as follows:

Police Pension Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position* (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2020	\$ 4,150,877	\$ 4,108,935	\$ 41,942
Changes for the Year:			
Service Cost	133,594	-	133,594
Interest	247,186	-	247,186
Changes of Benefit Terms	(31,129)	-	(31,129)
Difference between Expected and Actual Experience	(932)	-	(932)
Contributions - Employer	-	218,800	(218,800)
Contributions - Employee	-	18,453	(18,453)
Net Investment Income	-	359,608	(359,608)
Benefit Payments and Refunds of Employee Contributions	(269,212)	(269,212)	-
Administrative Expense	-	(39,428)	39,428
Net Changes	<u>79,507</u>	<u>288,221</u>	<u>(208,714)</u>
Balances at December 31, 2021	<u>\$ 4,230,384</u>	<u>\$ 4,397,156</u>	<u>\$ (166,772)</u>

Borough of Oakmont
Notes to Financial Statements
December 31, 2021

General Employees' Pension Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position* (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2020	\$ 2,576,059	\$ 2,410,629	\$ 165,430
Changes for the Year:			
Service Cost	85,034	-	85,034
Interest	133,672	-	133,672
Changes of Benefit Terms	(26,836)	-	(26,836)
Difference between Expected and Actual Experience	(360,341)	-	(360,341)
Contributions - Employer	-	192,891	(192,891)
Contributions - Employee	-	16,737	(16,737)
Net Investment Income	-	205,311	(205,311)
Benefit Payments and Refunds of Employee Contributions	(93,485)	(93,485)	-
Administrative Expense	-	(23,922)	23,922
	<u>(261,956)</u>	<u>297,532</u>	<u>(559,488)</u>
Net Changes			
Balances at December 31, 2021	<u>\$ 2,314,103</u>	<u>\$ 2,708,161</u>	<u>\$ (394,058)</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	\$ 323,298	\$ (166,772)	\$ (576,692)
GEPP	\$ (152,069)	\$ (394,058)	\$ (603,285)

Borough of Oakmont
Notes to Financial Statements
December 31, 2021

D. Pension Expense

For the year ended December 31, 2021, the Borough recognized pension expense of \$218,800 and \$192,891 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.

Note 9 - 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 10 - Operating Leases

The Borough and Oakmont Carnegie Library are 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, 2021:

Year Ended December 31,	Borough	Library
2022	\$ 5,634	\$ 8,522
2023	-	4,036
	<u>\$ 5,634</u>	<u>\$ 12,558</u>

For the year ended December 31, 2021, the rental expense for the operating leases was \$6,104 and \$8,747 for the Borough and Library, respectively.

Note 11 - 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 2021 was \$19,617.

Note 12 - 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.

Borough of Oakmont
Notes to Financial Statements
December 31, 2021

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.
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
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.

Borough of Oakmont
Notes to Financial Statements
December 31, 2021

3. Non-Uniformed Non-Union Employees

No post-employment benefits are provided by the Borough.

B. Funding Policy

Memberships of the plan are as follows, based on the latest actuarial evaluation reports dated January 1, 2021:

Active Members	7
Retired Participants	<u>0</u>
 Total	 <u>7</u>

C. Total OPEB Liability

The Borough's total OPEB liability of \$80,411 was measured as of January 1, 2021 and was determined by an actuarial valuation as of January 1, 2020 and rolled forward using standard roll forward techniques.

D. Actuarial Methods and Assumptions

The total OPEB liability in the January 1, 2020 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	3.00%
Healthcare Cost Trend Rates	5.0% per year.

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, 2020 valuation were selected using input from the Borough based upon actual experience.

Borough of Oakmont
Notes to Financial Statements
December 31, 2021

E. Change in the Total OPEB Liability

	Total OPEB Liability
Balance at January 1, 2021	\$ 71,789
Changes for the year:	
Service Cost	7,183
Interest	2,356
Benefit Payments	(917)
Net Changes	8,622
Balance at December 31, 2021	\$ 80,411

F. Changes of Assumptions and Other Inputs

- Changed the discount rate from 3.25% to 3.00% effective January 1, 2020.
- 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 (2.00%) or one percentage point higher (4.00%) than the current discount rate:

	1.00% Decrease 2.00%	Current Discount Rate 3.00%	1.00% Increase 4.00%
Total OPEB Liability	\$ 84,809	\$ 80,411	\$ 76,241

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	\$ 72,124	\$ 80,411	\$ 90,217

Borough of Oakmont
Notes to Financial Statements
December 31, 2021

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

For the year ended December 31, 2021, the Borough recognized OPEB Expense of \$8,624. At December 31, 2021, the Borough reported no deferred outflows and deferred inflows of resources related to OPEB.

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, 2021

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Real Estate Taxes				
Current	\$ 2,060,435	\$ 2,060,435	\$ 2,063,971	\$ 3,536
Delinquent	-	-	7,467	7,467
Liened	-	-	74,422	74,422
Regional Asset District Sales Tax	120,000	120,000	140,948	20,948
Real Estate Transfer Taxes	230,000	230,000	332,127	102,127
Earned Income Taxes/Wage Taxes	1,200,000	1,200,000	1,414,525	214,525
Local Service Taxes	150,000	150,000	147,593	(2,407)
Total Taxes	<u>3,760,435</u>	<u>3,760,435</u>	<u>4,181,053</u>	<u>420,618</u>
Licenses and Permits				
Cable Television Franchise	160,000	160,000	160,403	403
All Other Licenses and Permits	8,500	8,500	-	(8,500)
Total Licenses and Permits	<u>168,500</u>	<u>168,500</u>	<u>160,403</u>	<u>(8,097)</u>
Fines and Forfeits	<u>41,000</u>	<u>41,000</u>	<u>40,225</u>	<u>(775)</u>
Interest, Rents and Royalties				
Interest Earnings	763	763	119	(644)
Rents and Royalties	13,500	13,500	14,457	957
Total Interest, Rents and Royalties	<u>14,263</u>	<u>14,263</u>	<u>14,576</u>	<u>313</u>
Intergovernmental				
State				
All Other State Capital & Operating Grants	196,597	196,597	151,761	(44,836)
Public Utility Realty Tax	3,600	3,600	3,818	218
General Municipal Pension System State Aid	73,857	73,857	81,554	7,697
Alcoholic Beverage Taxes	3,400	3,400	-	(3,400)
Foreign Fire Insurance Tax Distribution	41,000	41,000	36,630	(4,370)
Total Intergovernmental	<u>318,454</u>	<u>318,454</u>	<u>273,763</u>	<u>(44,691)</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, 2021

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges for Services				
General Government	15,250	15,250	16,276	1,026
Public Safety	111,537	111,537	92,272	(19,265)
All Other Charges for Highways & Street Svcs.	34,040	34,040	43,627	9,587
Culture-Recreation	82,750	82,750	80,526	(2,224)
Total Charges for Services	<u>243,577</u>	<u>243,577</u>	<u>232,701</u>	<u>(10,876)</u>
Miscellaneous Revenue				
Other Miscellaneous Revenue	53,660	53,660	29,572	(24,088)
Total Revenues	<u>4,599,889</u>	<u>4,599,889</u>	<u>4,932,293</u>	<u>332,404</u>
Expenditures				
General Government				
Legislative Body				
Personal Services	283,398	283,398	254,419	28,979
Supplies	15,325	15,325	16,919	(1,594)
Other Services & Charges	43,565	43,565	45,481	(1,916)
Capital Purchase	11,860	11,860	17,579	(5,719)
Financial Administration				
Personal Services	75,336	75,336	100,062	(24,726)
Other Services & Charges	23,002	23,002	26,420	(3,418)
Tax Collection				
Personal Services	11,000	11,000	10,193	807
Other Services & Charges	16,000	16,000	3,316	12,684
Law				
Other Services & Charges	79,000	79,000	59,592	19,408
Data Processing				
Supplies	21,360	21,360	5,298	16,062
Other Services & Charges	48,595	48,595	36,679	11,916
Engineer				
Other Services & Charges	40,000	40,000	107,952	(67,952)
General Gov't Building & Plant				
Other Services & Charges	43,160	43,160	41,649	1,511
Capital Purchase	20,000	20,000	2,145	17,855
Total General Government	<u>731,601</u>	<u>731,601</u>	<u>727,704</u>	<u>3,897</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, 2021**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety				
Police				
Personal Services	1,497,842	1,497,842	1,462,655	35,187
Supplies	49,282	49,282	47,557	1,725
Other Services & Charges	62,965	62,965	80,920	(17,955)
Capital Purchase	31,671	31,671	5,005	26,666
Fire				
Personal Services	15,000	15,000	6,484	8,516
Supplies	3,000	3,000	3,954	(954)
Other Services & Charges	74,850	74,850	65,726	9,124
Contributions, Grants & Subs.	43,500	43,500	39,130	4,370
Capital Purchase	20,040	20,040	8,081	11,959
UCC & Code Enforcement				
Other Services & Charges	90,000	90,000	24,834	65,166
Planning and Zoning				
Personal Services	15,000	15,000	12,938	2,062
Other Services & Charges	14,500	14,500	12,867	1,633
Emergency Management & Communication				
Supplies	2,950	2,950	1,538	1,412
Other Services & Charges	2,050	2,050	-	2,050
Total Public Safety	<u>1,922,650</u>	<u>1,922,650</u>	<u>1,771,689</u>	<u>150,961</u>
Public Works - Highways				
General Service - Administration				
Personal Services	390,605	390,605	377,608	12,997
Supplies	38,500	38,500	27,395	11,105
Other Services & Charges	103,130	103,130	98,788	4,342
Capital Purchase	2,600	2,600	2,473	127
Winter Maintenance-Snow Removal				
Supplies	180,809	180,809	105,812	74,997
Traffic Control Devices				
Other Services & Charges	45,000	45,000	40,178	4,822
Street Lighting				
Other Services & Charges	92,000	92,000	96,219	(4,219)
Total Public Works-Highways	<u>852,644</u>	<u>852,644</u>	<u>748,473</u>	<u>104,171</u>
Public Works - Other Services				
Storm Water and Flood Control				
Capital Purchase	-	-	71,300	(71,300)
Total Public Works	<u>852,644</u>	<u>852,644</u>	<u>819,773</u>	<u>32,871</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, 2021

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Culture - Recreation				
Parks				
Personal Services	139,044	139,044	115,797	23,247
Supplies	15,000	15,000	14,568	432
Other Services & Charges	59,632	59,632	36,210	23,422
Capital Purchase	159,250	159,250	7,030	152,220
Shade Trees				
Supplies	20,000	20,000	26,662	(6,662)
Other Services & Charges	96,000	96,000	123,001	(27,001)
Libraries				
Contributions, Grants & Subs.	308,000	308,000	308,000	-
Civil & Military Celebrations				
Other Services & Charges	400	400	400	-
Senior Citizens' Centers				
Contributions, Grants & Subs.	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Total Culture - Recreation	<u>804,326</u>	<u>804,326</u>	<u>638,668</u>	<u>165,658</u>
Miscellaneous				
Other Employee Benefits	<u>1,200</u>	<u>1,200</u>	<u>1,007</u>	<u>193</u>
Debt Service				
Debt				
Principal	45,000	45,000	45,000	-
Interest	12,470	12,470	12,470	-
Fiscal Agent's Fee	<u>520</u>	<u>520</u>	<u>520</u>	<u>-</u>
Total Debt Service	<u>57,990</u>	<u>57,990</u>	<u>57,990</u>	<u>-</u>
Total Expenditures	<u>4,370,411</u>	<u>4,370,411</u>	<u>4,016,831</u>	<u>353,580</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, 2021**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses)				
Proceeds of Capital Assets Dispositions	2,000	2,000	-	2,000
Transfers Out				
Special Revenue Fund	(10,000)	(10,000)	(10,000)	-
Capital Projects Fund	<u>(430,000)</u>	<u>(430,000)</u>	<u>(409,418)</u>	<u>(20,582)</u>
Total Other Financing Sources (Uses)	<u>(438,000)</u>	<u>(438,000)</u>	<u>(419,418)</u>	<u>(18,582)</u>
Total Expenditures and Other Financing Sources (Uses)	<u>4,808,411</u>	<u>4,808,411</u>	<u>4,436,249</u>	<u>372,162</u>
Net Change in Fund Balance	(208,522)	(208,522)	496,044	704,566
Fund Balance - January 1, 2021	<u>586,725</u>	<u>586,725</u>	<u>586,725</u>	<u>-</u>
Fund Balance - December 31, 2021	<u>\$ 378,203</u>	<u>\$ 378,203</u>	<u>\$ 1,082,769</u>	<u>\$ 704,566</u>

Borough of Oakmont
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2021

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

	Police Pension Plan							
	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$ 133,594	\$ 96,037	\$ 91,901	\$ 90,081	\$ 86,202	\$ 74,149	\$ 70,956	\$ 69,982
Interest	247,186	242,397	236,762	229,348	222,344	221,916	213,447	208,186
Change in Assumptions	(31,129)	-	-	-	321,685	-	-	-
Difference Between Expected and Actual Experience	(932)	-	21,445	-	(157,822)	-	(66,833)	-
Benefit Payments	(269,212)	(259,186)	(219,133)	(219,133)	(172,924)	(187,326)	(128,215)	(134,442)
Net Change in Total Pension Liability	79,507	79,248	130,975	100,296	299,485	108,739	89,355	143,726
Total Pension Liability - Beginning	<u>4,150,877</u>	<u>4,071,629</u>	<u>3,940,654</u>	<u>3,840,358</u>	<u>3,540,873</u>	<u>3,432,134</u>	<u>3,342,779</u>	<u>3,182,980</u>
Total Pension Liability - Ending (a)	<u>4,230,384</u>	<u>4,150,877</u>	<u>4,071,629</u>	<u>3,940,654</u>	<u>3,840,358</u>	<u>3,540,873</u>	<u>3,432,134</u>	<u>3,326,706</u>
Plan Fiduciary Net Position								
Contributions - Employer	218,800	235,278	202,170	192,410	121,121	131,328	131,244	106,718
Contributions - Member	18,453	15,200	16,798	13,873	13,054	14,090	15,999	14,167
Net Investment Income	359,608	628,120	479,954	(23,889)	349,107	104,710	(38,788)	100,922
Benefit Payments	(269,212)	(259,186)	(219,133)	(219,133)	(172,924)	(187,326)	(128,215)	(134,442)
Administrative Expenses	(39,428)	(35,976)	(35,487)	(30,200)	(32,469)	(32,560)	(26,513)	(12,571)
Net Change in Plan Fiduciary Net Position	288,221	583,436	444,302	(66,939)	277,889	30,242	(46,273)	74,794
Plan Fiduciary Net Position - Beginning	<u>4,108,935</u>	<u>3,525,499</u>	<u>3,081,197</u>	<u>3,148,136</u>	<u>2,870,247</u> **	<u>2,841,347</u>	<u>2,887,620</u>	<u>2,784,819</u>
Plan Fiduciary Net Position - Ending (b)*	<u>4,397,156</u>	<u>4,108,935</u>	<u>3,525,499</u>	<u>3,081,197</u>	<u>3,148,136</u>	<u>2,871,589</u>	<u>2,841,347</u>	<u>2,859,613</u>
Borough's Net Pension Liability (a-b)	<u><u>\$ (166,772)</u></u>	<u><u>\$ 41,942</u></u>	<u><u>\$ 546,130</u></u>	<u><u>\$ 859,457</u></u>	<u><u>\$ 692,222</u></u>	<u><u>\$ 669,284</u></u>	<u><u>\$ 590,787</u></u>	<u><u>\$ 467,093</u></u>

**Borough of Oakmont
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2021**

	Police Pension Plan							
	2021	2020	2019	2018	2017	2016	2015	2014
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	103.94%	98.99%	86.59%	78.19%	81.98%	81.10%	82.79%	85.96%
Covered Payroll	<u>\$ 738,112</u>	<u>\$ 637,928</u>	<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	-22.59%	6.57%	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, 2021**

	General Employees' Pension Plan							
	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$ 85,034	\$ 86,738	\$ 83,402	\$ 69,753	\$ 67,070	\$ 50,715	\$ 48,531	\$ 43,599
Interest	133,672	148,499	141,206	141,000	137,468	129,310	126,854	122,762
Change in Assumptions Difference Between Expected and Actual Experience	(26,836)	-	-	-	241,347	-	-	-
Benefit Payments	(360,341)	-	(84,006)	-	5,720	-	19,603	-
	<u>(93,485)</u>	<u>(93,485)</u>	<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	(261,956)	141,752	21,656	56,301	309,162	39,240	56,153	48,981
Total Pension Liability - Beginning	<u>2,576,059</u>	<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>1,951,795</u>	<u>1,891,826</u>
Total Pension Liability - Ending (a)	<u>2,314,103</u>	<u>2,576,059</u>	<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	192,891	192,804	171,854	158,754	108,800	94,017	94,947	82,381
Contributions - Member	16,737	16,684	15,863	14,863	15,658	14,168	12,636	13,790
Net Investment Income	205,311	351,388	260,660	(11,385)	183,529	54,303	(15,811)	62,050
Benefit Payments	(93,485)	(93,485)	(118,946)	(154,452)	(142,443)	(140,785)	(138,835)	(117,380)
Administrative Expenses	<u>(23,922)</u>	<u>(20,374)</u>	<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	297,532	447,017	301,889	(8,955)	146,225	1,962	(62,101)	32,448
Plan Fiduciary Net Position - Beginning	<u>2,410,629</u>	<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>1,584,592</u>	<u>1,541,156</u>
Plan Fiduciary Net Position - Ending (b)*	<u>2,708,161</u>	<u>2,410,629</u>	<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>\$ (394,058)</u>	<u>\$ 165,430</u>	<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, 2021**

	General Employees' Pension Plan							
	2021	2020	2019	2018	2017	2016	2015	2014
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	117.03%	93.58%	80.66%	68.88%	70.90%	74.47%	75.82%	81.08%
Covered Payroll	<u>\$ 478,199</u>	<u>\$ 454,940</u>	<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	-82.40%	36.36%	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, 2021**

2. Schedule of Contributions

	Police Pension Plan							
	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 218,800	\$ 235,278	\$ 202,170	\$ 192,410	\$ 121,121	\$ 131,328	\$ 131,244	\$ 105,979
Contributions in Relation to the Actuarially Determined Contribution	<u>218,800</u>	<u>235,278</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 738,112</u>	<u>\$ 637,928</u>	<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	29.64%	36.88%	31.19%	34.49%	23.08%	22.99%	21.54%	18.56%
	General Employees' Pension Plan							
	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 192,891	\$ 192,804	\$ 171,854	\$ 158,754	\$ 108,800	\$ 94,017	\$ 94,947	\$ 82,381
Contributions in Relation to the Actuarially Determined Contribution	<u>192,891</u>	<u>192,804</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 478,199</u>	<u>\$ 454,940</u>	<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	40.34%	42.38%	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, 2021**

3. Investment Returns

	Police Pension Plan							
	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money Weighted Rate of Return Net of Investment Expenses	8.44%	16.58%	14.48%	-0.77%	11.60%	3.67%	N/A	N/A
	General Employees' Pension Plan							
	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money Weighted Rate of Return Net of Investment Expenses	8.03%	16.18%	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, 2021

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

- Actuarial Valuation Date: 01/01/21
- 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 - Pub-G-2010 for GEPP and Pub-S-2010 for PPP

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

	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Total OPEB Liability					
Service Cost	\$ 7,183	\$ 6,991	\$ 5,416	\$ 5,271	\$ -
Interest	2,356	2,099	2,874	3,515	-
Change in Assumptions	-	281	-	-	-
Difference Between Expected and Actual Experience	-	(13,541)	-	-	-
Benefit Payments	<u>(917)</u>	<u>(560)</u>	<u>(29,346)</u>	<u>(27,968)</u>	<u>-</u>
Net Change in Total OPEB Liability	8,622	(4,730)	(21,056)	(19,182)	-
Total OPEB Liability - Beginning	<u>71,789</u>	<u>76,519</u>	<u>97,575</u>	<u>116,757</u>	<u>N/A</u>
Total OPEB Liability - Ending	<u>\$ 80,411</u>	<u>\$ 71,789</u>	<u>\$ 76,519</u>	<u>\$ 97,575</u>	<u>\$ 116,757</u>
Covered Payroll	\$ 637,033	\$ 637,033	\$ 482,741	\$ 482,741	N/A
Total OPEB Liability as a Percentage of Covered Payroll	12.62%	11.27%	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, 2021 was 3.00%.

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, 2021

	<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>			Total Nonmajor Governmental Funds
	Liquid Fuels Fund	Kerr Museum Fund	Roads Fund	Parks Fund	Oakmont Boulevard Project Fund	
ASSETS						
Cash and Cash Equivalents	<u>\$ 6,343</u>	<u>\$ 451,675</u>	<u>\$ 358,970</u>	<u>\$ 50,689</u>	<u>\$ 153,472</u>	<u>\$ 1,021,149</u>
LIABILITIES AND FUND BALANCES						
Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances						
Restricted	6,343	-	-	-	-	6,343
Assigned	<u>-</u>	<u>451,675</u>	<u>358,970</u>	<u>50,689</u>	<u>153,472</u>	<u>1,014,806</u>
Total Fund Balances	<u>6,343</u>	<u>451,675</u>	<u>358,970</u>	<u>50,689</u>	<u>153,472</u>	<u>1,021,149</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,343</u>	<u>\$ 451,675</u>	<u>\$ 358,970</u>	<u>\$ 50,689</u>	<u>\$ 153,472</u>	<u>\$ 1,021,149</u>

Borough of Oakmont
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances – Modified Cash Basis
Nonmajor Governmental Funds
Year Ended December 31, 2021

	Special Revenue Funds		Capital Projects Funds			Debt Service	Total Nonmajor Governmental Funds
	Liquid Fuels Fund	Kerr Museum Fund	Roads Fund	Parks Fund	Oakmont Boulevard Project Fund	Debt Service Fund	
Revenues							
Interest, Rents, and Royalties	\$ -	\$ -	\$ -	\$ 35,714	\$ -	\$ -	\$ 35,714
Intergovernmental	182,199	-	-	2,267	-	-	184,466
Miscellaneous	-	34,670	23,835	813	19,776	-	79,094
Total Revenues	<u>182,199</u>	<u>34,670</u>	<u>23,835</u>	<u>38,794</u>	<u>19,776</u>	<u>-</u>	<u>299,274</u>
Expenditures							
General Government	-	19,150	-	15	-	191,822	210,987
Public Works - Highway	182,000	-	115,115	-	-	-	297,115
Public Works - Other Services	-	-	86,939	-	-	-	86,939
Culture - Recreation	-	-	-	148,849	106,694	-	255,543
Miscellaneous	-	665	-	-	-	-	665
Total Expenditures	<u>182,000</u>	<u>19,815</u>	<u>202,054</u>	<u>148,864</u>	<u>106,694</u>	<u>191,822</u>	<u>851,249</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>199</u>	<u>14,855</u>	<u>(178,219)</u>	<u>(110,070)</u>	<u>(86,918)</u>	<u>(191,822)</u>	<u>(551,975)</u>
Other Financing Sources (Uses)							
Transfers In	-	10,000	300,000	-	80,000	-	390,000
Transfers Out	-	-	-	-	-	(18,060,522)	(18,060,522)
Issuance of Bonds	-	-	-	-	-	17,315,000	17,315,000
Premium on Bonds Issued	-	-	-	-	-	1,474,538	1,474,538
Payment to Rfd. Bond Escrow Agent	-	-	-	-	-	(537,194)	(537,194)
Total Other Financing Sources (Uses)	<u>-</u>	<u>10,000</u>	<u>300,000</u>	<u>-</u>	<u>80,000</u>	<u>191,822</u>	<u>581,822</u>
Net Changes in Fund Balances	199	24,855	121,781	(110,070)	(6,918)	-	29,847
Fund Balances - January 1, 2021	<u>6,144</u>	<u>426,820</u>	<u>237,189</u>	<u>160,759</u>	<u>160,390</u>	<u>-</u>	<u>991,302</u>
Fund Balances - December 31, 2021	<u>\$ 6,343</u>	<u>\$ 451,675</u>	<u>\$ 358,970</u>	<u>\$ 50,689</u>	<u>\$ 153,472</u>	<u>\$ -</u>	<u>\$ 1,021,149</u>

Borough of Oakmont
Combining Schedule of Net Position
Modified Cash Basis
Fiduciary Funds
December 31, 2021

	Pension Trust Funds		Totals
	Police Pension Fund	General Employees' Pension Fund	
ASSETS			
Cash and Cash Equivalents	\$ 121,247	\$ 80,047	\$ 201,294
Investments			
Common Stock	2,020,323	1,192,624	3,212,947
Fixed Income	2,244,033	1,428,879	3,672,912
Notes Receivable	842	-	842
TOTAL ASSETS	4,386,445	2,701,550	7,087,995
LIABILITIES	-	-	-
NET POSITION			
Net Position Restricted for Pensions	\$ 4,386,445	\$ 2,701,550	\$ 7,087,995

Borough of Oakmont
Combining Schedule of Changes in Net Position
Modified Cash Basis
Fiduciary Funds
Year Ended December 31, 2021

	<u>Pension Trust Funds</u>		Totals
	Police Pension Fund	General Employees' Pension Fund	
Additions			
Contributions			
Employer	\$ 218,800	\$ 192,891	\$ 411,691
Plan Members	18,453	16,737	35,190
Total Contributions	<u>237,253</u>	<u>209,628</u>	<u>446,881</u>
Investment Income			
Net Appreciation in Fair Value of Investments	288,502	162,795	451,297
Interest and Dividends	70,350	42,158	112,508
Less: Investment Expense	<u>(37,953)</u>	<u>(22,847)</u>	<u>(60,800)</u>
Net Investment Income	<u>320,899</u>	<u>182,106</u>	<u>503,005</u>
Total Additions	<u>558,152</u>	<u>391,734</u>	<u>949,886</u>
Deductions			
Benefits	282,828	93,485	376,313
Administrative Expenses	<u>1,475</u>	<u>1,075</u>	<u>2,550</u>
Total Deductions	<u>284,303</u>	<u>94,560</u>	<u>378,863</u>
Change in Net Position	273,849	297,174	571,023
Net Position Restricted for Pensions			
Beginning of Year	<u>4,112,596</u>	<u>2,404,376</u>	<u>6,516,972</u>
End of Year	<u>\$ 4,386,445</u>	<u>\$ 2,701,550</u>	<u>\$ 7,087,995</u>

**Borough of Oakmont
Balance Sheet
Modified Cash Basis
Oakmont Carnegie Library – Component Unit
December 31, 2021**

ASSETS	
Cash and Cash Equivalents	\$ 104,940
Investments	996,303
Taxes Receivable	<u>16,157</u>
TOTAL ASSETS	<u>1,117,400</u>
LIABILITIES AND FUND BALANCES	
Liabilities	<u>-</u>
Fund Balances	
Restricted	1,014,296
Unassigned	<u>103,104</u>
Total Fund Balances	<u>1,117,400</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,117,400</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, 2021

Revenues	
Fines and Forfeits	\$ 4,769
Investment Income	78,505
Intergovernmental	
State Aid	36,558
Allegheny County Library Association	119,425
Contributions from the Borough of Oakmont	308,000
Other State Grants	4,797
Charges for Services	9,521
Contributions	176,143
Miscellaneous	2,859
	<hr/>
Total Revenues	740,577
	<hr/>
Expenditures	
Current:	
Culture - Recreation	
Libraries	
Personal Services	276,944
Collections	54,509
Office and Computer Supplies	20,059
Supplies	1,831
Programs	3,305
Postage and Printing	4,857
Professional Services	5,220
Maintenance of Building and Equipment	37,238
Utilities	33,363
Insurance	7,052
Capital Purchases	4,991
Miscellaneous	10,688
Debt Service:	
Principal	90,000
Interest	10,420
	<hr/>
Total Expenditures	560,477
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Net Change in Fund Balance	180,100
Fund Balance - January 1 , 2021	937,300
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Fund Balance - December 31, 2021	\$ 1,117,400
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