

VILLAGE OF HIGHLAND PARK, FLORIDA

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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Wicks, Brown, Williams & Co., CPA's LLP

140 S. Commerce Avenue, Sebring, Florida 33870-3601
(863) 382-1157 • Fax: (863) 382-4507

Charles F. Wicks, C.P.A. (1911 - 1996)
J. Richard Brown, C.P.A. (1940 - 1997)
W. Bruce Stratton, C.P.A., Retired
Cheryl M. Williams, C.P.A., P.A.
C. Mark Cox, C.P.A., P.A.
John W. Davis, C.P.A., P.A.
Charles P. Cox, C.P.A., P.A.

April D. Cooper, C.P.A.

Lake Placid
(863) 699-5544

Okeechobee
(863) 763-2354

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Village Council
Village of Highland Park, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Highland Park, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Village of Highland Park, Florida'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 accounting principles generally accepted in the United States of America; this includes 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 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Highland Park, Florida as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of Village's proportionate share of net pension liability, and schedules of Village's contributions for the Florida Retirement System (FRS) and Health Insurance Subsidy (HIS), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report March 23, 2021, on our consideration of the Village of Highland Park, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Highland Park, Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Highland Park, Florida's internal control over financial reporting and compliance.



Wicks, Brown, Williams & Co., CPA's LLP
Sebring, Florida

March 23, 2021

VILLAGE OF HIGHLAND PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(Unaudited)

The management of The Village of Highland Park (Village) offers this narrative overview and analysis of the financial activities of the Village for the fiscal year ended September 30, 2020. This analysis provides summary financial information for the Village and should be read in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

The following are key financial highlights for the fiscal year:

- The Village's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at September 30, 2020 by \$837,476 (net position). Of this amount, \$274,716 was the net investment in capital assets, \$115,713 was restricted by law for transportation related costs, and \$15,283 was restricted by contributors for beautification related costs. As a result, \$431,764 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Village's total net position increased by \$92,243. An increase of \$92,420 was from governmental activities, and a decrease of \$177 was from business-type activities.
- As of September 30, 2020, the fund balance in the Village's general fund was \$473,542 which represents a decrease of \$25,128 or 5.04% below the previous year.
- At September 30, 2020, unassigned fund balance for the general fund was \$314,591, or 135.71% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: government-wide financial statements; fund financial statements; and notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances in a manner similar to a private-sector business. The statement of net position presents information on all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities of the Village include general government, fire protection, transportation and physical environment. Business-type activities of the Village relate to its water utility.

The government-wide financial statements include only those of the Village, there are no other entities which the Village considers to be component units.

VILLAGE OF HIGHLAND PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(Unaudited)

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental and proprietary.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Village's only governmental fund is its general fund. The Village adopts an annual appropriated budget for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with that budget.

Proprietary Funds - The Village maintains an enterprise fund to account for its water utility operation. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The water utility fund is considered to be a major fund of the Village.

Notes to the Financial Statements - The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$837,476 as of September 30, 2020. The following schedule provides a summary of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the Village for the fiscal years 2020 and 2019:

VILLAGE OF HIGHLAND PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(Unaudited)

The Village of Highland Park's Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$475,542	\$501,165	\$ 99,739	\$ 95,917	\$ 575,281	\$597,082
Capital assets	241,853	123,780	32,863	36,399	274,716	160,179
Total assets	717,395	624,945	132,602	132,316	849,997	757,261
Deferred outflows related to pension	2,173	1,764	2,173	1,763	4,346	3,527
Current and other liabilities	2,000	2,495	-	61	2,000	2,556
Long-term liabilities	6,175	4,771	6,174	4,770	12,349	9,541
Total liabilities	8,175	7,266	6,174	4,831	14,349	12,097
Deferred inflows related to pension	1,259	1,729	1,259	1,729	2,518	3,458
Net Position:						
Net investment in capital assets	241,853	123,780	32,863	36,399	274,716	160,179
Restricted	130,996	103,754	-	-	130,996	103,754
Unrestricted	337,285	390,180	94,479	91,120	431,764	481,300
Total net assets	\$710,134	\$617,714	\$127,342	\$127,519	\$ 837,476	\$745,233

A portion of the Village's net position is recorded in its net investment in capital assets (e.g. land, buildings, machinery and equipment). These capital assets are used to provide services to citizens; consequently these assets are not available for future spending. In addition, a portion of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining, unrestricted, balance of net position may be used to meet the Village's ongoing obligations to citizens and creditors. As of September 30, 2020, the Village reports positive balances in all three categories of net position for the government as a whole as well as for its separate governmental activities.

Governmental Activities

Governmental activities increased the Village's net position by \$92,420 while business-type net position decreased by \$177. The schedule below provides a summary of the changes in net position for the fiscal years 2020 and 2019:

VILLAGE OF HIGHLAND PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(Unaudited)

Village of Highland Park's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues:						
Program revenues						
Charges for services	\$ 134	\$ 212	\$ 80,773	\$ 79,314	\$ 80,907	\$ 79,526
Operating grants and contributions	14,772	1,772	-	-	14,772	1,772
General revenues:						
Property taxes	136,138	135,816	-	-	136,138	135,816
Other taxes	31,021	30,886	-	-	31,021	30,886
Intergovernmental	24,559	23,370	-	-	24,559	23,370
Other	66	69	12	11	78	80
Total Revenues	<u>206,690</u>	<u>192,125</u>	<u>80,785</u>	<u>79,325</u>	<u>287,475</u>	<u>271,450</u>
Expenses:						
General Government	46,149	41,407	-	-	46,149	41,407
Public Safety	16,159	16,159	-	-	16,159	16,159
Physical Environment	43,791	53,207	-	-	43,791	53,207
Transportation	8,171	7,595	-	-	8,171	7,595
Water	-	-	80,962	59,432	80,962	59,432
Total Expenses	<u>114,270</u>	<u>118,368</u>	<u>80,962</u>	<u>59,432</u>	<u>195,232</u>	<u>177,800</u>
Change in Net Position	92,420	73,757	(177)	19,893	92,243	93,650
Net Position - beginning	<u>617,714</u>	<u>543,957</u>	<u>127,519</u>	<u>107,626</u>	<u>745,233</u>	<u>651,583</u>
Net Position - ending	<u>\$710,134</u>	<u>\$617,714</u>	<u>\$127,342</u>	<u>\$127,519</u>	<u>\$837,476</u>	<u>\$745,233</u>

The Village's governmental activities reported net expense of \$99,364. However, these services are intended to be primarily funded by taxes, as opposed to charges for services and grants. Property tax revenues increased in 2020 due to increases in real property assessed values. Governmental expenses in 2020 decreased \$4,098, or 3.46%, when compared to the prior year. This decrease is due largely to prior year repairs and maintenance and hurricane repairs being higher.

The Village's business-type activities had a decrease in net position of \$177, which was a decrease of \$20,070 when compared to the prior year from an increase in operating expenses of \$21,530 due largely to increases in repairs and professional fees.

VILLAGE OF HIGHLAND PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(Unaudited)

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Fund - The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of its fiscal year. During the fiscal year ended September 30, 2020, the Village had only one governmental fund, the general fund, which is the operating fund of the Village. At September 30, 2020, the total fund balance was \$473,542. Unassigned fund balance in the general fund was \$314,591 with the remainder of the balance reserved primarily for transportation related purposes. As a measure of the general fund's liquidity, the total fund balance represents 204% of total general fund expenditures with the unassigned fund balance representing 136% of total general fund expenditures.

Proprietary Funds - The Village's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. Water utility operating revenues increased \$1,459, or 1.84%, compared to the prior year due to usage increases. Expenses increased \$21,530, or 36.23%. Water Utility unrestricted net position at September 30, 2020 increased \$3,359.

BUDGETARY HIGHLIGHTS

Budget and actual comparison schedules are provided in the basic financial statements for the general fund. The budget and actual comparison schedule shows the original adopted budget, the final revised budget, actual results, and variance between the final budget and actual results for the general fund. After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances, new bond or loan proceeds, new grant awards, or other unanticipated revenues and expenditures. There were no increases in the original appropriated budget for the year ended September 30, 2020. Additionally, actual general fund revenues were above budgeted revenues by \$26,727 and actual expenditures were under budgeted expenditures by \$9,594.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The Village's investment in capital assets for its governmental and business type activities as of September 30, 2020 amounted to \$274,716 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment.

The Village of Highland Park's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 7,290	\$ 7,290	\$ -	\$ -	\$ 7,290	\$ 7,290
Construction in progress	-	83,490	-	-	-	83,490
Buildings	217,807	11,706	36,983	36,983	254,790	48,689
Improvements	43,095	43,095	177,886	177,886	220,981	220,981
Equipment	42,218	42,218	92,100	92,100	134,318	134,318
Less accumulated depreciation	(68,557)	(64,019)	(274,106)	(270,570)	(342,663)	(334,589)
Total	\$ 241,853	\$ 123,780	\$ 32,863	\$ 36,399	\$ 274,716	\$ 160,179

VILLAGE OF HIGHLAND PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(Unaudited)

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Additional information on the Village's capital assets can be found in Note 4 to the financial statements.

▪ Long-term Debt

At September 30, 2020, the Village had no outstanding long-term debt that was owed to outside creditors.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Local, national, and international economic factors influence the Village's revenues. Positive or negative economic growth is correlated with changes in revenues from property taxes, sales taxes, charges for services, as well as state and federal grants. Economic growth in the local economy may be measured by a variety of indicators such as employment growth, unemployment, new construction, assessed valuation, and tax base.

Factors that were considered in preparing the Village's budget for the 2021 fiscal year include:

- The property values have leveled off and residential housing value is beginning to increase slowly.
- The Polk County home value growth is estimated at 21.54%. However, the Village home value growth is only estimated at .35%.
- The Village has capital improvement plans scheduled over the next 3, 5, and 10 years that will benefit all residents.
- Polk County's unemployment rates are beginning to fall after slightly rising during the COVID-19 pandemic. Polk County's unemployment rate was 6.7% compared to the national rate of 7.8%.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning budgets, long-term financial planning, future debt issuances, or questions related to the management of Village operations should be addressed to:

Mr. Brian Updike, Mayor
Village of Highland Park
P.O. Box 168
Lake Wales, FL 33859-0168

Questions concerning the basic financial statements or other accounting information in this report should be addressed to:

Mrs. Maggie Taylor, Village Clerk
Village of Highland Park
P.O. Box 168
Lake Wales, FL 33859-0168

VILLAGE OF HIGHLAND PARK, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 444,202	\$ 115,209	\$ 559,411
Accounts receivable	3,385	10,828	14,213
Prepaid expenses	457	1,200	1,657
Internal balances	27,498	(27,498)	-
Capital assets:			
Non-depreciable	7,290	-	7,290
Depreciable, net	234,563	32,863	267,426
Total capital assets, net	241,853	32,863	274,716
Total Assets	717,395	132,602	849,997
Deferred Outflows of Resources:			
Deferred outflows related to pensions	2,173	2,173	4,346
Liabilities:			
Current Liabilities:			
Accounts payable	2,000	-	2,000
Long-term liabilities:			
Net pension liability	6,175	6,174	12,349
Total Liabilities	8,175	6,174	14,349
Deferred Inflows of Resources			
Deferred inflows related to pensions	1,259	1,259	2,518
Net Position:			
Net investment in capital assets	241,853	32,863	274,716
Restricted for:			
Transportation	115,713	-	115,713
Beautification	15,283	-	15,283
Unrestricted	337,285	94,479	431,764
Total Net Position	\$ 710,134	\$ 127,342	\$ 837,476

The notes to the financial statement are an integral part of this statement.

VILLAGE OF HIGHLAND PARK, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

<u>Function/Program</u>	Program Revenues			
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:				
General government	\$ 46,149	\$ 134	\$ 13,052	\$ -
Public safety and protection:				
Fire protection	16,159	-	-	-
Public works:				
Physical environment	43,791	-	-	-
Transportation	8,171	-	1,720	-
Total Government Activities	114,270	134	14,772	-
Business-type Activities:				
Water	80,962	80,773	-	-
Total Business-Type Activities	80,962	80,773	-	-
Total Government	\$ 195,232	\$ 80,907	\$ 14,772	\$ -

General Revenues:

Ad-valorem taxes
Fuel taxes
Franchise fees
Intergovernmental
Interest

Total General Revenues

Change in Net Position

Net Position - October 1, 2019

Net Position - September 30, 2020

The notes to the financial statement are an integral part of this statement.

Net (Expense) Revenue and Changes In Net Position

Governmental Activities	Business-type Activities	Total
\$ (32,963)	\$ -	\$ (32,963)
(16,159)	-	(16,159)
(43,791)	-	(43,791)
(6,451)	-	(6,451)
<u>(99,364)</u>	<u>-</u>	<u>(99,364)</u>
-	(189)	(189)
-	(189)	(189)
<u>(99,364)</u>	<u>(189)</u>	<u>(99,553)</u>
136,138	-	136,138
14,196	-	14,196
16,825	-	16,825
24,559	-	24,559
66	12	78
<u>191,784</u>	<u>12</u>	<u>191,796</u>
92,420	(177)	92,243
617,714	127,519	745,233
<u>\$ 710,134</u>	<u>\$ 127,342</u>	<u>\$ 837,476</u>

VILLAGE OF HIGHLAND PARK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUND – GENERAL FUND
SEPTEMBER 30, 2020

Assets:	
Cash and cash equivalents	\$ 444,202
Accounts receivable	3,385
Prepaid expenses	457
Advances to other fund	<u>27,498</u>
Total Assets	<u>\$ 475,542</u>
Liabilities and Fund Balances:	
Liabilities:	
Accounts payable	<u>\$ 2,000</u>
Total Liabilities	<u>2,000</u>
Fund Balances:	
Nonspendable	27,955
Restricted for:	
Transportation expenditures	115,713
Beautification expenditures	15,283
Unassigned	<u>314,591</u>
Total Fund Balances	<u>473,542</u>
 Total Liabilities and Fund Balances	 <u>\$ 475,542</u>

The notes to the financial statement are an integral part of this statement.

VILLAGE OF HIGHLAND PARK, FLORIDA
RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUND – GENERAL FUND
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

Fund Balance - Governmental Fund - General Fund		\$ 473,542
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets, non-depreciable		7,290
Capital assets, depreciable - net		234,563
Deferred outflows and inflows of resources used related to pensions are applicable to future reporting periods and therefore are not reported in the funds.		
Deferred outflows related to pensions	2,173	
Deferred inflows related to pensions	<u>(1,259)</u>	
		914
Long-term liabilities, are not due and payable in the current period and therefore, are not reported in the funds.		
Net pension liability		(6,175)
Net Position of Governmental Activities		<u><u>\$ 710,134</u></u>

The notes to the financial statement are an integral part of this statement.

VILLAGE OF HIGHLAND PARK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Revenues:	
Taxes	
Ad valorem	\$ 136,138
Fuel taxes	14,196
Franchise fees	16,825
Intergovernmental	26,279
Licenses and permits	134
Contributions	13,052
Interest	<u>66</u>
Total Revenues	<u>206,690</u>
Expenditures:	
Current:	
General government	41,928
Public safety and protection:	
Fire protection	16,159
Public works:	
Physical environment	42,949
Transportation	8,171
Capital outlay	<u>122,611</u>
Total Expenditures	<u>231,818</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(25,128)</u>
Net Change in Fund Balances	(25,128)
Fund Balances - October 1, 2019	<u>498,670</u>
Fund Balances - September 30, 2020	<u><u>\$ 473,542</u></u>

The notes to the financial statement are an integral part of this statement.

VILLAGE OF HIGHLAND PARK, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND – GENERAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Net Change in Fund Balance - Governmental Fund - General Fund	\$ (25,128)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the reported net pension liability is measured for the FRS and HIS plans, three months before the Village's report date. Pension expense, which is the change in net pension liability adjusted for changes in deferred outflows and inflows related to pensions, is reported in the statement of activities.</p>	(525)
<p>Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.</p>	122,611
<p>Expenses reported in the Statement of Activities, but they do not require the use of current financial resources. Therefore, these expenses are not reported as an expenditure in governmental funds.</p>	
Depreciation expense	(4,538)
Change in Net Position of Governmental Activities	\$ 92,420

The notes to the financial statement are an integral part of this statement.

VILLAGE OF HIGHLAND PARK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budget Amounts</u>			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes				
Ad valorem	\$ 125,491	\$ 125,491	\$ 136,138	\$ 10,647
Fuel taxes	14,500	14,500	14,196	(304)
Franchise fees	12,000	12,000	16,825	4,825
Intergovernmental	22,776	22,776	26,279	3,503
Licenses and permits	60	60	134	74
Contributions	5,100	5,100	13,052	7,952
Interest	36	36	66	30
Total Revenues	<u>179,963</u>	<u>179,963</u>	<u>206,690</u>	<u>26,727</u>
Expenditures:				
Current:				
General government	64,610	50,749	41,928	8,821
Public safety and protection:				
Fire protection	16,510	16,510	16,159	351
Public works:				
Physical environment	77,492	43,342	42,949	393
Transportation	7,800	8,200	8,171	29
Capital outlay	75,000	122,611	122,611	-
Total Expenditures	<u>241,412</u>	<u>241,412</u>	<u>231,818</u>	<u>9,594</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(61,449)</u>	<u>(61,449)</u>	<u>(25,128)</u>	<u>36,321</u>
Net Change in Fund Balances	(61,449)	(61,449)	(25,128)	36,321
Fund Balances - October 1, 2019	501,641	501,641	498,670	(2,971)
Fund Balances - September 30, 2020	<u>\$ 440,192</u>	<u>\$ 440,192</u>	<u>\$ 473,542</u>	<u>\$ 33,350</u>

The notes to the financial statement are an integral part of this statement.

VILLAGE OF HIGHLAND PARK, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND – WATER UTILITY FUND
SEPTEMBER 30, 2020

Assets	
Current Assets:	
Cash and cash equivalents	\$ 115,209
Accounts receivable	10,828
Prepaid expenses	1,200
Total Current Assets	127,237
 Noncurrent Assets:	
Capital assets, net	32,863
Total Assets	160,100
 Deferred Outflows of Resources:	
Deferred outflows related to pensions	2,173
 Liabilities	
Noncurrent Liabilities	
Advance from other fund	27,498
Net pension liabilities	6,174
Total Noncurrent Liabilities	33,672
Total Liabilities	33,672
 Deferred Inflows of Resources:	
Deferred Inflows related to pensions	1,259
 Net Position	
Net investment in capital assets	32,863
Unrestricted	94,479
Total Net Position	\$ 127,342

The notes to the financial statement are an integral part of this statement.

VILLAGE OF HIGHLAND PARK, FLORIDA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUND – WATER UTILITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Operating Revenues:	
Charges for services	<u>\$ 80,773</u>
 Operating Expenses:	
Personal services and benefits	15,002
Professional fees	24,173
Electricity	7,861
Insurance	7,527
Miscellaneous	1,194
Repairs and maintenance	21,669
Depreciation	<u>3,536</u>
Total Operating Expenses	<u>80,962</u>
Operating Loss	<u>(189)</u>
 Nonoperating Revenues:	
Interest revenue	<u>12</u>
Total Nonoperating Revenues	<u>12</u>
Change in Net Position	(177)
Total Net Position - October 1, 2019	<u>127,519</u>
Total Net Position - September 30, 2020	<u><u>\$ 127,342</u></u>

The notes to the financial statement are an integral part of this statement.

VILLAGE OF HIGHLAND PARK, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND – WATER UTILITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Cash Flows From Operating Activities:	
Cash received from customers	\$ 79,047
Cash payments to suppliers	(62,485)
Cash payments for employee services	(14,478)
Net cash provided by operating activities	<u>2,084</u>
Cash Flows From Noncapital Financing Activities:	
Repayment of advances	(5,000)
Net cash used by noncapital financing activities	<u>(5,000)</u>
Cash Flows From Investing Activities:	
Interest on investments	12
Net cash provided by investing activities	<u>12</u>
Net Decrease In Cash and Cash Equivalents	(2,904)
Cash and Cash Equivalents, October 1, 2019	<u>118,113</u>
Cash and Cash Equivalents, September 30, 2020	<u>\$ 115,209</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating Loss	<u>\$ (189)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	3,536
Changes in assets and liabilities:	
Increase in accounts receivable	(1,726)
Increase in deferred outflows	(410)
Decrease in accounts payable	(61)
Increase in net pension liability	1,404
Decrease in deferred inflows	(470)
Total adjustments	<u>2,273</u>
Net cash provided by operating activities	<u>\$ 2,084</u>

The notes to the financial statement are an integral part of this statement.

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VILLAGE OF HIGHLAND PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies and the presentation of the financial report of the Village of Highland Park (the "Village") conform to generally accepted accounting principles ("GAAP") as applicable to governmental units. This report, the accounting systems and classification of accounts conform to standards of the Governmental Accounting Standards Board ("GASB").

The following summary of the Village's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

A. Reporting Entity

The Village is a political subdivision of the State of Florida and is located in Polk County. The Village provides fire protection, sanitation, public works, and general governmental services to its residents and operates a water utility enterprise.

As required by generally accepted accounting principles, these financial statements present the Village and any component units for which the government is considered financially accountable. It was determined that there were no potential component units of the Village to be considered and, accordingly, there are no component units included within the Village's reporting entity.

B. Basis of Presentation

The Village's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements:

The statement of net position and the statement of activities display information about the Village as a whole. These statements include the financial activities of the government. For the most part, the effect of interfund activity has been removed from these statements. The statements distinguish between those activities of the Village that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Village at year end. The statement of activities demonstrates the degree to which direct expenses of a given function or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not considered program revenues are reported as general revenues.

VILLAGE OF HIGHLAND PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Fund Financial Statement Presentation:

Separate financial statements are provided for governmental funds and proprietary funds. These fund financial statements are not considered part of the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

In the fund financial statements, financial transactions and accounts of the Village are organized on the basis of funds each of which is considered a separate accounting entity. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures/expenses. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, reconciliation is presented for the governmental activities column which briefly explains the adjustment necessary to reconcile the fund financial statements to the governmental activities column of the government-wide financial statements.

The following is a brief description of the specific funds used by the Village during the current fiscal year.

Governmental Fund:

This fund type accounts for general governmental functions. The fund included in this category is the General Fund:

- **General Fund** - This fund accounts for all financial resources except those required to be accounted for in another fund. Resources are generated primarily from local ad valorem taxes and intergovernmental revenues. Expenditures are incurred to provide general governmental, fire protection, sanitation, and public works services.

Proprietary Fund:

This fund type accounts for operations that are organized to be self-supporting through user charges. The fund included in this category is the Enterprise Fund.

- **Water Utility Fund** - This fund accounts for operations that are financed and operated through user charges generated from services provided to customers.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Village are recorded in these financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are collected. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

VILLAGE OF HIGHLAND PARK, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

The governmental funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under this method revenues are recognized when susceptible to accrual (i.e., when they are both “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days after year-end. General sales and use taxes, franchise fees, intergovernmental revenues, and interest are susceptible to accrual. Other receipts are considered measurable and available when cash is received by the Village and are recognized as revenue at that time. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Operating revenues and expenses of the proprietary fund is defined revenues or expenses related to the provision of the applicable service. Nonoperating revenues and expenses include items unrelated to the provision of services.

When both restricted and unrestricted resources are available for use, it is the Village’s policy to use restricted resources first, and then unrestricted resources as they are needed; except for transportation expenditures because the Village is accumulating funds to pay for future road repairs. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Village’s Board of Commissioners has provided otherwise in its commitment or assignment actions.

D. Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets (e.g., roads, sidewalks, street lights, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial individual cost of \$500 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Capital assets of the Village are depreciated using a straight-line method over the following useful lives:

Buildings	40 years
Plant and Improvements	20 to 40 years
Equipment.....	5 to 10 years

The Village is required to account for infrastructure assets on its government-wide financial statements. As allowed by GASB 34, the Village elected not to record general infrastructure assets purchased before October 1, 2003. Since October 1, 2003, the Village has not acquired any new infrastructure assets and, therefore none are recorded in the government-wide financial statements.

VILLAGE OF HIGHLAND PARK, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

E. Budgetary Information

A budget is prepared for the General Fund on a basis consistent with the basis of accounting utilized for the respective fund; that is the modified accrual basis.

The legal level of budgetary control is at the object level (expense categories such as salaries, supplies, etc.).

The Statement of Revenues, Expenses, and Changes in Fund Balances – Budget and Actual shown in the basic financial statements, presents comparisons of the legally adopted budget, as amended, with actual results. The originally adopted budget is presented for purposes of comparison to the final, amended budget.

The Village also adopts a budget for the Water Utility Fund on a modified accrual basis, which is not the same basis of accounting as that used to account for actual results of operations (accrual basis). The primary difference between the budgetary basis and the basis used to account for the results of operations is that the Village does not budget depreciation expense.

Encumbrance accounting, under which the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration.

F. Property Taxes

Ad valorem taxes for the current fiscal year (beginning October 1, 2019) are assessed on July 1, 2019 based on property values of January 1, 2019. The taxes are billed in the month of November 2019 by the Polk County Tax Collector who remits collected taxes to the Village monthly. Taxes are due November 1, 2019 and become delinquent April 1, 2020. Tax certificates are issued for delinquent taxes by June 1, 2020. Generally, the Village collects substantially all of its current year property taxes during the year in which they are due. Delinquent taxes are recognized as revenue during the fiscal year in which they are collected.

G. Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, the Village considers cash and cash equivalents to be cash on hand, cash in banks, and short term investments with maturities less than three months when acquired, including restricted assets.

H. Interfund Receivables/Payables

During the course of operations, transactions occur between individual funds for certain operating expenses or services rendered. Short-term interfund loans are classified as “due to/from other funds.” All short-term interfund receivables and payables are planned to be eliminated shortly after year end. Any balances outstanding between governmental activities and business-type activities for due to/from are reported in the government-wide financial statements as internal balances. Long-term interfund loans are classified as “advances to/from other funds.”

VILLAGE OF HIGHLAND PARK, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

I. Pension Plans

In the government-wide and Proprietary Fund statements of net position, liabilities are recognized for the Village's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS and the HIS fiduciary net position have been determined on the same basis as they are reported by FRS and the HIS plans. For this purpose, defined benefit payments (including refund of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

J. Deferred Outflows / Inflows of Resources

The Village has one item that qualifies for reporting as deferred outflows of resources, which is reported in the government-wide and Proprietary Fund statements of net position. This item is the deferred outflow related to pensions. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years.

Details on the composition of deferred outflows related to pensions are reported in a subsequent note.

The Village has one item that qualifies for reporting as deferred inflows of resources in the government-wide and Proprietary Fund statements of net position. In the government-wide statement of net position, the item is the deferred inflow related to pensions. The deferred inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years.

Details on the composition of deferred inflows related to pensions are reported in a subsequent note.

K. Government-wide and Proprietary Fund Net Position

Government-wide and proprietary fund net position are divided into three categories:

- Net investment in capital assets – consist of the historical cost of capital assets less accumulated depreciation.
- Restricted – consist of amounts constrained to specific purposes by their providers (such as grantors, bondholders, higher levels of government, and contributors), through constitutional provisions, by enabling legislation, or contributor restrictions.
- Unrestricted – all other net position is reported in this category.

VILLAGE OF HIGHLAND PARK, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

L. Governmental Fund Balances

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

- Nonspendable – amounts that are not in spendable form (such as inventory or advances) or are required to be maintained intact.
- Restricted – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed – amounts constrained to specific purposes by the Village itself, using its highest level of decision-making authority (i.e. Village Council) and its highest level of action (i.e. Ordinance). To be reported as committed, amounts cannot be used for any other purpose unless the Village takes the same highest level of action to remove or change the constraint.
- Assigned – amounts the Village intends to use for a specific purpose. Intent can be expressed by the Village Council.
- Unassigned – amounts that are available for any purpose.

The Village Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Village Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

M. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS:

Cash – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. At year-end, the Village’s deposits were entirely covered by federal depository insurance or guaranteed by qualified public depositories in Florida pursuant to Chapter 280.07, Florida Statutes.

VILLAGE OF HIGHLAND PARK, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 2 – CASH AND INVESTMENTS: (continued)

Investments – The Village has not adopted a formal investment policy, and utilizes the guidelines of Florida Statute section 218.415(17). Florida Statutes authorize the Village to invest in direct obligations of the U.S. Treasury, the Local Government Surplus Funds Trust Fund (Florida PRIME), savings accounts or certificates of deposit in state-certified qualified public depositories, and SEC registered money market funds. At September 30, 2020, the Village had no investments.

NOTE 3 – ACCOUNTS RECEIVABLE:

Accounts receivable for the Village’s governmental activities at September 30, 2020, amounts to \$3,385 which is comprised of \$1,622 of taxes, and \$1,763 of intergovernmental revenues. At September 30, 2020, accounts receivable from customers of the Village’s business-type activities amounts to \$10,828. All receivables are considered fully collectible.

NOTE 4 - CAPITAL ASSETS:

A. Changes in Capital Assets

Capital asset activity for the year ended September 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 7,290	\$ -	\$ -	\$ 7,290
Construction in progress	83,490	122,611	(206,101)	-
Total capital assets not being depreciated	90,780	122,611	(206,101)	7,290
Capital assets, being depreciated:				
Buildings	11,706	206,101	-	217,807
Improvements other than buildings	43,095	-	-	43,095
Equipment	42,218	-	-	42,218
Total capital assets being depreciated	97,019	206,101	-	303,120
Less accumulated depreciation for:				
Buildings	10,542	3,125	-	13,667
Improvements other than buildings	12,876	842	-	13,718
Equipment	40,601	571	-	41,172
Total accumulated depreciation	64,019	4,538	-	68,557
Total capital assets being depreciated, net	33,000	201,563	-	234,563
Governmental Activities Capital Assets, Net	\$ 123,780	\$ 324,174	\$ (206,101)	\$ 241,853

VILLAGE OF HIGHLAND PARK, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020

NOTE 4 – CAPITAL ASSETS: (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business - Type Activities				
Capital assets, being depreciated:				
Buildings	\$ 36,983	\$ -	\$ -	\$ 36,983
Improvements other than buildings	177,886	-	-	177,886
Equipment	92,100	-	-	92,100
Total capital assets being depreciated	306,969	-	-	306,969
Less accumulated depreciation for:				
Buildings	34,084	635	-	34,719
Improvements other than buildings	169,597	694	-	170,291
Equipment	66,889	2,207	-	69,096
Total accumulated depreciation	270,570	3,536	-	274,106
Total capital assets being depreciated, net	36,399	(3,536)	-	32,863
Business - Type Activities Capital Assets, Net	\$ 36,399	\$ (3,536)	\$ -	\$ 32,863

Depreciation expense was charged to governmental functions as follows:

General government	\$ 3,696
Transportation	842
Total	<u>\$ 4,538</u>

Depreciation expense was charged to business-type functions as follows:

Water Utility	\$ 3,536
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NOTE 5 – INTERFUND ADVANCES:

The interfund advances includes the payable from the Water Utility Fund to the General Fund for \$27,498, which represents operating expenses not yet reimbursed for prior years. Repayment terms are \$5,000 paid annually, without interest, until the balance is paid in full.

NOTE 6 - LIMITED GEOGRAPHICAL AREA:

The Village's ad valorem tax base is located within a relatively small geographical area of approximately 500 acres and the Village is significantly dependent on revenue received from ad valorem taxes.

VILLAGE OF HIGHLAND PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 – RISK MANAGEMENT:

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance from independent third parties. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 8 – RETIREMENT PLAN:

Defined Benefit Plans

The Village participated in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability, or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple employer qualified defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the FRS Pension Plan. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under Sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a non-integrated defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS program. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive an HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

Benefits Provided

FRS members are eligible for retirement after vesting, which occurs at 6 years (8 years after July 1, 2011) of creditable service for regular members. Normal retirement age is attained at the earlier of 30 years of creditable service regardless of age or retirement at age 62 with at least 6 years of creditable service. Early retirement may be taken anytime; however, there is a 5 percent benefit reduction for each year prior to normal retirement age. Members are also eligible for in-line-of-duty or regular disability benefits if permanently disabled or unable to work. Benefits are computed on the basis of age, average final compensation, and service credit.

VILLAGE OF HIGHLAND PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 – RETIREMENT PLAN: (continued)

Eligible retirees and beneficiaries receive monthly HIS payments equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The Village is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the Village are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to the FRS. The Village’s contribution rates as of September 30, 2020 were as follows:

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Regular Employees	6.81 - 8.34%	1.66%	8.47 - 10.00%
Senior Management Services	23.75 - 25.63%	1.66%	25.41 - 27.29%
DROP Employees	12.94 - 15.32%	1.66%	14.60 - 16.98%

The Village’s contributions for the year ended September 30, 2020 were \$531 to the FRS and \$256 to the HIS.

Pension Liabilities and Pension Expense

At September 30, 2020, the Village reported a liability for its proportionate share of the net pension liability. The net pension liability for both plans was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2020. The HIS program valuation is updated biannually and the most recent actuarial valuation was prepared as of June 30, 2019. Update procedures were used to determine liabilities as of June 30, 2020. The Village’s proportions of the net pension liabilities were based on the Village’s share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Net pension liability at September 30, 2020	<u>\$ 6,932</u>	<u>\$ 5,417</u>	<u>\$ 12,349</u>
Proportion at:			
June 30, 2020	0.000015994 %	0.000044364 %	
June 30, 2019	<u>0.000014358 %</u>	<u>0.000041079 %</u>	
Increase	<u>0.000001636 %</u>	<u>0.000003285 %</u>	
Pension expense (benefit), year ended			
September 30, 2020	<u>\$ 1,518</u>	<u>\$ 377</u>	<u>\$ 1,895</u>

VILLAGE OF HIGHLAND PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 – RETIREMENT PLAN: (continued)

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 265	\$ -	\$ 222	\$ 4
Change of actuarial assumptions	1,255	-	582	315
Net difference between projected and actual earnings on pension plan investments	-	-	4	-
Changes in proportion and differences between Village pension plan contributions and proportionate share of contributions	413	915	741	1,284
Village pension plan contributions subsequent to the measurement date	192	-	64	-
Total	<u><u>\$ 2,733</u></u>	<u><u>\$ 915</u></u>	<u><u>\$ 1,613</u></u>	<u><u>\$ 1,603</u></u>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer’s fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

Year ending September 30	FRS Expense	HIS Expense
2021	\$ 378	\$ 69
2022	482	37
2023	353	(195)
2024	287	(134)
2025	126	47
Thereafter	-	122
Total	<u><u>\$ 1,626</u></u>	<u><u>\$ (54)</u></u>

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was determined using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Payroll growth	3.25%	3.25%
Investment rate of return	6.80%	N/A

VILLAGE OF HIGHLAND PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 – RETIREMENT PLAN: (continued)

Mortality assumptions for the FRS Pension Plan and the HIS Program were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumption Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent actuarial valuation for the HIS Program was July 1, 2020. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013 through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for this program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The following changes in actuarial assumptions occurred in 2020:

FRS: The long-term expected investment rate of return decreased from 6.90% to 6.80%.

HIS: The municipal bond rate used to determine total pension liability was decreased from 3.50% to 2.21%, and the mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2020, the FRS Actuarial Assumptions Conference reviewed long-term assumptions developed by both the FRS actuary's capital market assumptions team and by a capital market assumptions team from consultants to the State Board of Administration. The table on the next page summarizes key assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target allocation.

The allocation's policy's description of each asset class was used to map the target allocation to the asset classes below.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the decreased investment return assumption of 6.80% was adopted by the Florida Retirement System Actuarial Assumption Conference.

VILLAGE OF HIGHLAND PARK, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 8 – RETIREMENT PLAN: (continued)

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Annual Standard Deviation</u>
Cash	1.0%	2.2%	2.2%	1.2%
Intermediate-Term Bonds	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real Estate	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
Total	100%			

Assumed Inflation - Mean 2.4% 1.7%

(1) As outlined in the Pension Plan's investment policy

Discount Rate

The discount rate used to measure the total pension liability for FRS was 6.80%. FRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contribution (ADC) is contributed in full each year. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.21% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the Village's proportionate share of the net pension liability if the discount rate was 1% higher or 1% lower than the current discount rate.

	FRS			HIS		
	Current Discount			Current Discount		
	1% Decrease (5.80%)	Rate (6.80%)	1% Increase (7.80%)	1% Decrease (1.21%)	Rate (2.21%)	1% Increase (3.21%)
Village's proportionate share of the net pension liability	\$ 11,069	\$ 6,932	\$ 3,477	\$ 6,262	\$ 5,417	\$ 4,725

VILLAGE OF HIGHLAND PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 – RETIREMENT PLAN: (continued)

Pension Plans' Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the State's separately issued financial reports.

Payables to the Pension Plans

As of September 30, 2020, the Village did not have an outstanding payable to the plans for regular employee and employer contributions that were legally required to be paid to the plans but not remitted prior to the end of the year.

FRS Investment Plan

The Village contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the State Board of Administration (SBA), and is reported in the SBA annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Village employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class and Senior Management Class), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Village.

VILLAGE OF HIGHLAND PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 – RETIREMENT PLAN: (continued)

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Village's Investment Plan pension expense totaled \$1,363 for the fiscal year ended September 30, 2020.

VILLAGE OF HIGHLAND PARK, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF VILLAGE'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
 FLORIDA RETIREMENT SYSTEM PENSION PLAN
 SEPTEMBER 30,
 (UNAUDITED)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Village's proportion of the net pension liability*	0.000015994%	0.000014358%	0.000014908%
Village's proportionate share of the net pension liability*	\$ 6,932	\$ 4,945	\$ 4,490
Village's covered payroll*	\$ 21,877	\$ 21,504	\$ 21,131
Village's proportionate share of the net pension liability as a percentage of its covered-employee payroll	31.69%	23.00%	21.25%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%

* The amounts presented for each fiscal year were determined as of June 30

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

2017	2016	2015
0.000022238%	0.000024727%	0.000016523%
\$ 6,578	\$ 6,244	\$ 2,134
\$ 25,404	\$ 20,145	\$ 14,542
25.89%	31.00%	14.67%
83.89%	84.88%	92.00%

VILLAGE OF HIGHLAND PARK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF VILLAGE'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN
FOR THE YEAR ENDED SEPTEMBER 30,
(UNAUDITED)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 1,363	\$ 1,264	\$ 1,173
Contributions in relation to the contractually required contribution	<u>1,363</u>	<u>1,264</u>	<u>1,173</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Village's covered-employee payroll	 \$ 21,877	 \$ 21,691	 \$ 21,131
 Contributions as a percentage of covered-employee payroll	 6.23%	 5.83%	 5.55%

* The amounts presented for each fiscal year were determined as of September 30

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

2017	2016	2015
\$ 1,290	\$ 1,236	\$ 869
1,290	1,236	869
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 23,573	\$ 21,976	\$ 14,596
5.47%	5.62%	5.95%

VILLAGE OF HIGHLAND PARK, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF VILLAGE'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
 HEALTH INSURANCE SUBSIDY PROGRAM
 SEPTEMBER 30,
 (UNAUDITED)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Village's proportion of the net pension liability*	0.000044364%	0.000041079%	0.000044841%
Village's proportionate share of the net pension liability*	\$ 5,417	\$ 4,596	\$ 4,747
Village's covered payroll*	\$ 21,877	\$ 21,504	\$ 21,131
Village's proportionate share of the net pension liability as a percentage of its covered-employee payroll	24.76%	21.37%	22.46%
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%

* The amounts presented for each fiscal year were determined as of June 30

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

2017	2016	2015
0.000057435%	0.000063256%	0.000479360%
\$ 6,141	\$ 7,372	\$ 4,889
\$ 25,404	\$ 20,145	\$ 14,542
24.17%	36.59%	33.62%
1.64%	0.97%	0.50%

VILLAGE OF HIGHLAND PARK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF VILLAGE'S CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PROGRAM
FOR THE YEAR ENDED SEPTEMBER 30,
(UNAUDITED)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 363	\$ 360	\$ 350
Contributions in relation to the contractually required contribution	363	360	350
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered-employee payroll	\$ 21,877	\$ 21,691	\$ 21,131
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%

* The amounts presented for each fiscal year were determined as of September 30

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

2017	2016	2015
\$ 391	\$ 365	\$ 199
391	365	199
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 23,573	\$ 21,976	\$ 14,596
1.66%	1.66%	1.36%

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Wicks, Brown, Williams & Co., CPA's LLP

140 S. Commerce Avenue, Sebring, Florida 33870-3601
(863) 382-1157 • Fax: (863) 382-4507

Charles F. Wicks, C.P.A. (1911 - 1996)
J. Richard Brown, C.P.A. (1940 - 1997)
W. Bruce Stratton, C.P.A., Retired
Cheryl M. Williams, C.P.A., P.A.
C. Mark Cox, C.P.A., P.A.
John W. Davis, C.P.A., P.A.
Charles P. Cox, C.P.A., P.A.

April D. Cooper, C.P.A.

Lake Placid
(863) 699-5544

Okeechobee
(863) 763-2354

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

Honorable Mayor and Village Council
Village of Highland Park, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Highland Park, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Village of Highland Park, Florida's basic financial statements, and have issued our report thereon dated March 23, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Highland Park, Florida's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Highland Park, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Highland Park, Florida's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Wicks, Brown, Williams & Co., CPA's LLP
Wicks, Brown, Williams & Co., CPA's LLP
Sebring, Florida

March 23, 2021

Wicks, Brown, Williams & Co., CPA's LLP

140 S. Commerce Avenue, Sebring, Florida 33870-3601
(863) 382-1157 • Fax: (863) 382-4507

Charles F. Wicks, C.P.A. (1911 - 1996)
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Charles P. Cox, C.P.A., P.A.

April D. Cooper, C.P.A.

Lake Placid
(863) 699-5544

Okeechobee
(863) 763-2354

MANAGEMENT LETTER

Honorable Mayor and Village Council
Village of Highland Park, Florida

Report on the Financial Statements

We have audited the financial statements of the Village of Highland Park, Florida, as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 23, 2021.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 23, 2021, should be considered in conjunction with this management letter.

Prior Year Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no such recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Village of Highland Park was originally created by a special act of the State of Florida in 1927, Chapter 12834 (No. 1029). The Village of Highland Park is governed by its charter, ordinances, and other Florida Statutes that are applicable to municipalities. Additionally, there are no component units related to the Village of Highland Park.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Village of Highland Park met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Village of Highland Park did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Village of Highland Park. It is management's responsibility to monitor the Village of Highland Park's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.


Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, Village Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Wicks, Brown, Williams & Co., CPA's LLP
Sebring, Florida

March 23, 2021

Wicks, Brown, Williams & Co., CPA's LLP

140 S. Commerce Avenue, Sebring, Florida 33870-3601
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Lake Placid
(863) 699-5544

Okeechobee
(863) 763-2354

INDEPENDENT ACCOUNTANTS' REPORT

Honorable Mayor and Village Council
Village of Highland Park, Florida

We have examined the Village of Highland Park, Florida's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the fiscal year ended September 30, 2020. Management of the Village of Highlands Park, Florida is responsible for the Village of Highland Park, Florida's compliance with the specified requirements. Our responsibility is to express an opinion on the Village of Highland Park, Florida's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Village of Highland Park, Florida's complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Village complied with the specific requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Village of Highland Park, Florida's compliance with specified requirements.

In our opinion, the Village of Highland Park, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

This report is intended solely for the information and use of the Village Council and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.


Wicks, Brown, Williams & Co., CPA's LLP
Sebring, Florida

March 23, 2021