

**VILLAGE OF HIGHLAND PARK, FLORIDA**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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## 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, each major fund, and the aggregate remaining fund information of the Village of Highland Park, Florida, as of and for the year ended September 30, 2021, 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.

Honorable Mayor and Village Council (continued)

***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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof 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 dated March 29, 2022, 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. CPAs LLP*  
Wicks, Brown, Williams & Co., CPA's LLP  
Sebring, Florida

March 29, 2022

**VILLAGE OF HIGHLAND PARK, FLORIDA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2021  
(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, 2021. 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, 2021 by \$942,038 (net position). Of this amount, \$264,092 was the net investment in capital assets, \$133,914 was restricted by law for transportation related costs, and \$15,283 was restricted by contributors for beautification related costs. As a result, \$528,749 (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 \$104,562. An increase of \$91,195 was from governmental activities, and an increase of \$13,367 was from business-type activities.
- As of September 30, 2021, the fund balance in the Village's general fund was \$571,664 which represents an increase of \$98,122 or 20.72% above the previous year.
- At September 30, 2021, unassigned fund balance for the general fund was \$399,969, or 365.96% 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, 2021  
(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 \$942,038 as of September 30, 2021. 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 2021 and 2020:

**VILLAGE OF HIGHLAND PARK, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2021**  
(Unaudited)

**The Village of Highland Park's Net Position**

	Governmental Activities		Business-type Activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and other assets	\$573,454	\$475,542	\$171,524	\$ 99,739	\$ 744,978	\$575,281
Capital assets	234,739	241,853	29,353	32,863	264,092	274,716
Total assets	808,193	717,395	200,877	132,602	1,009,070	849,997
Deferred outflows related to pension	3,551	2,173	3,551	2,173	7,102	4,346
Current and other liabilities	1,790	2,000	55,094	-	56,884	2,000
Long-term liabilities	4,077	6,175	4,077	6,174	8,154	12,349
Total liabilities	5,867	8,175	59,171	6,174	65,038	14,349
Deferred inflows related to pension	4,548	1,259	4,548	1,259	9,096	2,518
<b>Net Position:</b>						
Net investment in capital assets	234,739	241,853	29,353	32,863	264,092	274,716
Restricted	149,197	130,996	-	-	149,197	130,996
Unrestricted	417,393	337,285	111,356	94,479	528,749	431,764
<b>Total net assets</b>	<b>\$801,329</b>	<b>\$710,134</b>	<b>\$140,709</b>	<b>\$127,342</b>	<b>\$ 942,038</b>	<b>\$837,476</b>

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, 2021, 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 \$91,195 while business-type net position increased by \$13,367. The schedule below provides a summary of the changes in net position for the fiscal years 2021 and 2020:

**VILLAGE OF HIGHLAND PARK, FLORIDA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2021  
(Unaudited)

**Village of Highland Park's Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues:						
Program revenues						
Charges for services	\$ 276	\$ 134	\$ 81,679	\$ 80,773	\$ 81,955	\$ 80,907
Operating grants and contributions	2,128	14,772	-	-	2,128	14,772
General revenues:						
Property taxes	143,332	136,138	-	-	143,332	136,138
Other taxes	32,408	31,021	-	-	32,408	31,021
Intergovernmental	29,199	24,559	-	-	29,199	24,559
Other	73	66	12	12	85	78
<b>Total Revenues</b>	<b>207,416</b>	<b>206,690</b>	<b>81,691</b>	<b>80,785</b>	<b>289,107</b>	<b>287,475</b>
Expenses:						
General Government	49,949	46,149	-	-	49,949	46,149
Public Safety	13,971	16,159	-	-	13,971	16,159
Physical Environment	43,371	43,791	-	-	43,371	43,791
Transportation	8,930	8,171	-	-	8,930	8,171
Water	-	-	68,324	80,962	68,324	80,962
<b>Total Expenses</b>	<b>116,221</b>	<b>114,270</b>	<b>68,324</b>	<b>80,962</b>	<b>184,545</b>	<b>195,232</b>
<b>Change in Net Position</b>	<b>91,195</b>	<b>92,420</b>	<b>13,367</b>	<b>(177)</b>	<b>104,562</b>	<b>92,243</b>
Net Position - beginning	710,134	617,714	127,342	127,519	837,476	745,233
Net Position - ending	<b>\$801,329</b>	<b>\$710,134</b>	<b>\$140,709</b>	<b>\$127,342</b>	<b>\$942,038</b>	<b>\$837,476</b>

The Village's governmental activities reported net expense of \$113,817. However, these services are intended to be primarily funded by taxes, as opposed to charges for services and grants. Property tax revenues increased in 2021 due to increases in real property assessed values. Governmental expenses in 2021 increased \$1,951, or 1.71%, when compared to the prior year. This increase is primarily due to an increase in physical environment expenses.

The Village's business-type activities had an increase in net position of \$13,367, which was an increase of \$13,544 when compared to the prior year from a decrease in operating expenses of \$12,638 due largely to decreases in repairs and professional fees.

**VILLAGE OF HIGHLAND PARK, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2021**  
(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, 2021, the Village had only one governmental fund, the general fund, which is the operating fund of the Village. At September 30, 2021, the total fund balance was \$571,664. Unassigned fund balance in the general fund was \$399,969 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 523% of total general fund expenditures with the unassigned fund balance representing 366% 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 \$906, or 1.12%, compared to the prior year due to usage increases. Expenses decreased \$12,638, or 18.49%. Water Utility unrestricted net position at September 30, 2021 increased \$16,877.

**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, 2021. Additionally, actual general fund revenues were above budgeted revenues by \$27,453 and actual expenditures were under budgeted expenditures by \$66,677.

**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, 2021 amounted to \$264,092 (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	
	2021	2020	2021	2020	2021	2020
Land	\$ 7,290	\$ 7,290	\$ -	\$ -	\$ 7,290	\$ 7,290
Buildings	217,807	217,807	36,983	36,983	254,790	254,790
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	(75,671)	(68,557)	(277,616)	(274,106)	(353,287)	(342,663)
Total	<u>\$ 234,739</u>	<u>\$ 241,853</u>	<u>\$ 29,353</u>	<u>\$ 32,863</u>	<u>\$ 264,092</u>	<u>\$ 274,716</u>

**VILLAGE OF HIGHLAND PARK, FLORIDA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2021  
(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, 2021, 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 2022 fiscal year include:

- The property values of residential housing are beginning to increase.
- The assessed property value cap for Polk County in 2021 was 1.4% and is scheduled to change to 3% in 2022.
- The Polk County home value growth is estimated at 29.2%. However, the Village home value growth is estimated at 8.02%. This growth is largely due to \$451,661 in net new taxable construction.
- 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 4.1% compared to the national rate of 4.7%.

**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:

Ms. Blair Updike, Mayor  
Village of Highland Park  
1650 Highland Park Drive N  
Lake Wales, FL 33898

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

Mrs. Maggie Taylor, Village Clerk  
1650 Highland Park Drive N  
Lake Wales, FL 33898

**VILLAGE OF HIGHLAND PARK, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2021**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 547,133	\$ 183,345	\$ 730,478
Accounts receivable	3,823	9,477	13,300
Prepaid expenses	-	1,200	1,200
Internal balances	22,498	(22,498)	-
Capital assets:			
Non-depreciable	7,290	-	7,290
Depreciable, net	227,449	29,353	256,802
Total capital assets, net	234,739	29,353	264,092
<b>Total Assets</b>	<b>808,193</b>	<b>200,877</b>	<b>1,009,070</b>
<b>Deferred Outflows of Resources:</b>			
Deferred outflows related to pensions	3,551	3,551	7,102
<b>Liabilities:</b>			
Current Liabilities:			
Accounts payable	1,790	-	1,790
Unearned revenue	-	55,094	55,094
Total Current Liabilities	1,790	55,094	56,884
Long-term liabilities:			
Net pension liability	4,077	4,077	8,154
<b>Total Liabilities</b>	<b>5,867</b>	<b>59,171</b>	<b>65,038</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions	4,548	4,548	9,096
<b>Net Position:</b>			
Net investment in capital assets	234,739	29,353	264,092
Restricted for:			
Transportation	133,914	-	133,914
Beautification	15,283	-	15,283
Unrestricted	417,393	111,356	528,749
<b>Total Net Position</b>	<b>\$ 801,329</b>	<b>\$ 140,709</b>	<b>\$ 942,038</b>

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, 2021**

<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>	
<b>Governmental Activities:</b>				
General government	\$ 49,949	\$ 276	\$ -	\$ -
Public safety and protection:				
Fire protection	13,971	-	-	-
Public works:				
Physical environment	43,371	-	-	-
Transportation	8,930	-	2,128	-
<b>Total Government Activities</b>	116,221	276	2,128	-
<b>Business-type Activities:</b>				
Water	68,324	81,679	-	-
<b>Total Business-Type Activities</b>	68,324	81,679	-	-
<b>Total Government</b>	\$ 184,545	\$ 81,955	\$ 2,128	\$ -

**General Revenues:**

Ad-valorem taxes

Fuel taxes

Franchise fees

Intergovernmental

Interest

**Total General Revenues**

**Change in Net Position**

**Net Position - October 1, 2020**

**Net Position - September 30, 2021**

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

Net (Expense) Revenue and Changes In Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (49,673)	\$ -	\$ (49,673)
(13,971)	-	(13,971)
(43,371)	-	(43,371)
(6,802)	-	(6,802)
<u>(113,817)</u>	<u>-</u>	<u>(113,817)</u>
-	13,355	13,355
-	13,355	13,355
<u>(113,817)</u>	<u>13,355</u>	<u>(100,462)</u>
143,332	-	143,332
15,166	-	15,166
17,242	-	17,242
29,199	-	29,199
73	12	85
<u>205,012</u>	<u>12</u>	<u>205,024</u>
91,195	13,367	104,562
710,134	127,342	837,476
<u>\$ 801,329</u>	<u>\$ 140,709</u>	<u>\$ 942,038</u>



**VILLAGE OF HIGHLAND PARK, FLORIDA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUND – GENERAL FUND**  
**SEPTEMBER 30, 2021**

<b>Assets:</b>	
Cash and cash equivalents	\$ 547,133
Accounts receivable	3,823
Advances to other fund	<u>22,498</u>
<b>Total Assets</b>	<b><u><u>\$ 573,454</u></u></b>
<b>Liabilities and Fund Balances:</b>	
<b>Liabilities:</b>	
Accounts payable	<u>\$ 1,790</u>
<b>Total Liabilities</b>	<b><u>1,790</u></b>
<b>Fund Balances:</b>	
Nonspendable	22,498
Restricted for:	
Transportation expenditures	133,914
Beautification expenditures	15,283
Unassigned	<u>399,969</u>
<b>Total Fund Balances</b>	<b><u>571,664</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u><u>\$ 573,454</u></u></b>

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, 2021**

<b>Fund Balance - Governmental Fund - General Fund</b>		<b>\$ 571,664</b>
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		227,449
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	3,551	
Deferred inflows related to pensions	<u>(4,548)</u>	
		(997)
Long-term liabilities, are not due and payable in the current period and therefore, are not reported in the funds.		
Net pension liability		(4,077)
<b>Net Position of Governmental Activities</b>		<b><u><u>\$ 801,329</u></u></b>

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, 2021**

<b>Revenues:</b>	
Taxes	
Ad valorem	\$ 143,332
Fuel taxes	15,166
Franchise fees	17,242
Intergovernmental	31,327
Licenses and permits	276
Interest	73
<b>Total Revenues</b>	<u>207,416</u>
 <b>Expenditures:</b>	
Current:	
General government	43,864
Public safety and protection:	
Fire protection	13,971
Public works:	
Physical environment	42,529
Transportation	8,930
<b>Total Expenditures</b>	<u>109,294</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>98,122</u>
<b>Net Change in Fund Balances</b>	98,122
<b>Fund Balances - October 1, 2020</b>	<u>473,542</u>
<b>Fund Balances - September 30, 2021</b>	<u><u>\$ 571,664</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, 2021**

**Net Change in Fund Balance - Governmental Fund - General Fund** \$ 98,122

Amounts reported for governmental activities in the Statement of Activities are different because:

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. 187

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.

Depreciation expense (7,114)

**Change in Net Position of Governmental Activities** \$ 91,195

**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, 2021**

	Budget Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes				
Ad valorem	\$ 125,491	\$ 125,491	\$ 143,332	\$ 17,841
Fuel taxes	14,500	14,500	15,166	666
Franchise fees	12,000	12,000	17,242	5,242
Intergovernmental	22,776	22,776	31,327	8,551
Licenses and permits	60	60	276	216
Contributions	5,100	5,100	-	(5,100)
Interest	36	36	73	37
<b>Total Revenues</b>	179,963	179,963	207,416	27,453
<b>Expenditures:</b>				
Current:				
General government	64,910	63,110	43,864	19,246
Public safety and protection:				
Fire protection	17,000	17,000	13,971	3,029
Public works:				
Physical environment	85,661	86,861	42,529	44,332
Transportation	8,400	9,000	8,930	70
<b>Total Expenditures</b>	175,971	175,971	109,294	66,677
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	3,992	3,992	98,122	94,130
<b>Net Change in Fund Balances</b>	3,992	3,992	98,122	94,130
<b>Fund Balances - October 1, 2020</b>	617,714	617,714	473,542	(144,172)
<b>Fund Balances - September 30, 2021</b>	\$ 621,706	\$ 621,706	\$ 571,664	\$ (50,042)

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, 2021

<b>Assets</b>	
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 183,345
Accounts receivable	9,477
Prepaid expenses	1,200
<b>Total Current Assets</b>	<b>194,022</b>
 <b>Noncurrent Assets:</b>	
Capital assets, net	29,353
<b>Total Assets</b>	<b>223,375</b>
 <b>Deferred Outflows of Resources:</b>	
Deferred outflows related to pensions	3,551
 <b>Liabilities</b>	
<b>Current Liabilities</b>	
Unearned revenue	55,094
<b>Total Current Liabilities</b>	<b>55,094</b>
 <b>Noncurrent Liabilities</b>	
Advance from other fund	22,498
Net pension liabilities	4,077
<b>Total Noncurrent Liabilities</b>	<b>26,575</b>
<b>Total Liabilities</b>	<b>81,669</b>
 <b>Deferred Inflows of Resources:</b>	
Deferred Inflows related to pensions	4,548
 <b>Net Position</b>	
Net investment in capital assets	29,353
Unrestricted	111,356
<b>Total Net Position</b>	<b>\$ 140,709</b>

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, 2021

<b>Operating Revenues:</b>	
Charges for services	<u>\$ 81,679</u>
 <b>Operating Expenses:</b>	
Personal services and benefits	13,413
Professional fees	27,927
Electricity	7,457
Insurance	5,027
Miscellaneous	1,232
Repairs and maintenance	9,758
Depreciation	<u>3,510</u>
<b>Total Operating Expenses</b>	<u>68,324</u>
<b>Operating Income</b>	<u>13,355</u>
 <b>Nonoperating Revenues:</b>	
Interest revenue	<u>12</u>
<b>Total Nonoperating Revenues</b>	<u>12</u>
<b>Change in Net Position</b>	13,367
<b>Total Net Position - October 1, 2020</b>	<u>127,342</u>
<b>Total Net Position - September 30, 2021</b>	<u><u>\$ 140,709</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, 2021**

<b>Cash Flows From Operating Activities:</b>	
Cash received from customers	\$ 83,030
Cash payments to suppliers	(51,401)
Cash payments for employee services	<u>(13,599)</u>
<b>Net cash provided by operating activities</b>	<u>18,030</u>
<b>Cash Flows From Noncapital Financing Activities:</b>	
Repayment of advances	<u>(5,000)</u>
<b>Net cash used by noncapital financing activities</b>	<u>(5,000)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>	
Cash received from grant	<u>55,094</u>
<b>Net cash provided by capital and related financing activities</b>	<u>55,094</u>
<b>Cash Flows From Investing Activities:</b>	
Interest on investments	<u>12</u>
<b>Net cash provided by investing activities</b>	<u>12</u>
<b>Net Increase In Cash and Cash Equivalents</b>	68,136
<b>Cash and Cash Equivalents, October 1, 2020</b>	<u>115,209</u>
<b>Cash and Cash Equivalents, September 30, 2021</b>	<u><u>\$ 183,345</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
<b>Operating Income</b>	<u>\$ 13,355</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	3,510
Changes in assets and liabilities:	
Decrease in accounts receivable	1,351
Increase in deferred outflows	(1,378)
Decrease in net pension liability	(2,097)
Increase in deferred inflows	<u>3,289</u>
Total adjustments	<u>4,675</u>
<b>Net cash provided by operating activities</b>	<u><u>\$ 18,030</u></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, 2021

**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, 2021

**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, 2021

**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, 2021

**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, 2020) are assessed on July 1, 2020 based on property values of January 1, 2020. The taxes are billed in the month of November 2020 by the Polk County Tax Collector who remits collected taxes to the Village monthly. Taxes are due November 1, 2020 and become delinquent April 1, 2021. Tax certificates are issued for delinquent taxes by June 1, 2021. 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, 2021

**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, 2021

**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. Unearned Revenues**

Revenues in the Proprietary Fund which have not been earned are reported in accordance with the accrual basis of accounting as unearned revenue. The unearned revenue will be recognized as revenues in the fiscal year in which they are earned.

**N. 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, 2021

**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, 2021, the Village had no investments.

**NOTE 3 – ACCOUNTS RECEIVABLE:**

Accounts receivable for the Village’s governmental activities at September 30, 2021, amounts to \$3,823 which is comprised of \$1,886 of taxes, and \$1,937 of intergovernmental revenues. At September 30, 2021, accounts receivable from customers of the Village’s business-type activities amounts to \$9,477. All receivables are considered fully collectible.

**NOTE 4 - CAPITAL ASSETS:**

**A. Changes in Capital Assets**

Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 7,290	\$ -	\$ -	\$ 7,290
Construction in progress	-	-	-	-
Total capital assets not being depreciated	7,290	-	-	7,290
Capital assets, being depreciated:				
Buildings	217,807	-	-	217,807
Improvements other than buildings	43,095	-	-	43,095
Equipment	42,218	-	-	42,218
Total capital assets being depreciated	303,120	-	-	303,120
Less accumulated depreciation for:				
Buildings	13,667	5,701	-	19,368
Improvements other than buildings	13,718	842	-	14,560
Equipment	41,172	571	-	41,743
Total accumulated depreciation	68,557	7,114	-	75,671
Total capital assets being depreciated, net	234,563	(7,114)	-	227,449
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 241,853</b>	<b>\$ (7,114)</b>	<b>\$ -</b>	<b>\$ 234,739</b>



**VILLAGE OF HIGHLAND PARK, FLORIDA**  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2021

**NOTE 4 – CAPITAL ASSETS: (continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business - Type Activities:</b>				
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	<u>306,969</u>	-	-	<u>306,969</u>
Less accumulated depreciation for:				
Buildings	34,719	609	-	35,328
Improvements other than buildings	170,291	694	-	170,985
Equipment	69,096	2,207	-	71,303
Total accumulated depreciation	<u>274,106</u>	<u>3,510</u>	-	<u>277,616</u>
Total capital assets being depreciated, net	<u>32,863</u>	<u>(3,510)</u>	-	<u>29,353</u>
<b>Business - Type Activities Capital Assets, Net</b>	<u>\$ 32,863</u>	<u>\$ (3,510)</u>	<u>\$ -</u>	<u>\$ 29,353</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 6,272
Transportation	<u>842</u>
Total	<u>\$ 7,114</u>

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

Water Utility	\$ 3,510
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**NOTE 5 – INTERFUND ADVANCES:**

The interfund advances includes the payable from the Water Utility Fund to the General Fund for \$22,498, 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, 2021

**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](http://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, 2021

**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, 2021 were as follows:

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Regular Employees	8.34 - 9.16%	1.66%	10.00 - 10.82%
Senior Management Services	25.63 - 27.35%	1.66%	27.29 - 29.01%
DROP Employees	15.32 - 16.68%	1.66%	16.98 - 18.34%

The Village’s contributions for the year ended September 30, 2021 were \$1,492 to the FRS and \$400 to the HIS.

**Pension Liabilities and Pension Expense**

At September 30, 2021, 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, 2021 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, 2021. The HIS program valuation is updated biannually and the most recent actuarial valuation was prepared as of July 1, 2020. Update procedures were used to determine liabilities as of June 30, 2021. 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, 2021	<u>\$ 2,075</u>	<u>\$ 6,079</u>	<u>\$ 8,154</u>
Proportion at:			
June 30, 2021	0.000027471 %	0.000049556 %	
June 30, 2020	<u>0.000015994 %</u>	<u>0.000044364 %</u>	
Increase	<u>0.000011477 %</u>	<u>0.000005192 %</u>	
Pension expense (benefit), year ended			
September 30, 2021	<u>\$ 607</u>	<u>\$ 455</u>	<u>\$ 1,062</u>

**VILLAGE OF HIGHLAND PARK, FLORIDA**  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 8 – RETIREMENT PLAN:** (continued)

**Deferred Outflows/Inflows of Resources Related to Pensions**

At September 30, 2021, 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	\$ 356	\$ -	\$ 203	\$ 3
Change of actuarial assumptions	1,420	-	478	250
Net difference between projected and actual earnings on pension plan investments	-	7,240	6	-
Changes in proportion and differences between Village pension plan contributions and proportionate share of contributions	3,306	633	980	970
Village pension plan contributions subsequent to the measurement date	288	-	65	-
Total	\$ 5,370	\$ 7,873	\$ 1,732	\$ 1,223

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, 2021. 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
2022	\$ (471)	\$ 147
2023	(667)	(94)
2024	(885)	(29)
2025	(1,219)	154
2026	453	206
Thereafter	-	60
Total	\$ (2,791)	\$ 444

**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, 2021

**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 2021:

FRS: Decreasing the maximum amortization period to 20 years for all current and future amortization bases.

HIS: The municipal bond rate used to determine total pension liability was decreased from 2.21% to 2.16%.

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2021, 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, 2021

**NOTE 8 – RETIREMENT PLAN:** (continued)

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Annual Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Intermediate-Term Bonds	20.0%	3.8%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
<b>Total</b>	<b>100%</b>			
Assumed Inflation - Mean			2.4%	1.2%

(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 2.16% 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 (1.16%)	Rate (2.16%)	1% Increase (3.16%)
Village's proportionate share of the net pension liability	\$ 9,280	\$ 2,075	\$ (3,947)	\$ 7,028	\$ 6,079	\$ 5,301

**VILLAGE OF HIGHLAND PARK, FLORIDA**  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**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, 2021, 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, 2021, 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, 2021

**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 \$1,784 for the fiscal year ended September 30, 2021.



**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, 2021**  
**(UNAUDITED)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Village's proportion of the net pension liability*	0.000027471%	0.000015994%	0.000014358%
Village's proportionate share of the net pension liability*	\$ 2,075	\$ 6,932	\$ 4,945
Village's covered payroll*	\$ 22,692	\$ 21,877	\$ 21,504
Village's proportionate share of the net pension liability as a percentage of its covered-employee payroll	9.14%	31.69%	23.00%
Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%	82.61%

\* 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.*

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
0.000014908%	0.000022238%	0.000024727%	0.000016523%
\$ 4,490	\$ 6,578	\$ 6,244	\$ 2,134
\$ 21,131	\$ 25,404	\$ 20,145	\$ 14,542
21.25%	25.89%	31.00%	14.67%
84.26%	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, 2021**  
**(UNAUDITED)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 1,492	\$ 1,363	\$ 1,264
Contributions in relation to the contractually required contribution	<u>1,492</u>	<u>1,363</u>	<u>1,264</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Village's covered-employee payroll	 \$ 24,107	 \$ 21,877	 \$ 21,691
 Contributions as a percentage of covered-employee payroll	 6.19%	 6.23%	 5.83%

\* 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.*

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 1,173	\$ 1,290	\$ 1,236	\$ 869
<u>1,173</u>	<u>1,290</u>	<u>1,236</u>	<u>869</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 21,131	\$ 23,573	\$ 21,976	\$ 14,596
5.55%	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, 2021**  
**(UNAUDITED)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Village's proportion of the net pension liability*	0.000049556%	0.000044364%	0.000041079%
Village's proportionate share of the net pension liability*	\$ 6,079	\$ 5,417	\$ 4,596
Village's covered payroll*	\$ 22,692	\$ 21,877	\$ 21,504
Village's proportionate share of the net pension liability as a percentage of its covered-employee payroll	26.79%	24.76%	21.37%
Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%

\* 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.*

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
0.000044841%	0.000057435%	0.000063256%	0.000479360%
\$ 4,747	\$ 6,141	\$ 7,372	\$ 4,889
\$ 21,131	\$ 25,404	\$ 20,145	\$ 14,542
22.46%	24.17%	36.59%	33.62%
2.15%	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, 2021**  
**(UNAUDITED)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 400	\$ 363	\$ 360
Contributions in relation to the contractually required contribution	400	363	360
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered-employee payroll	\$ 24,107	\$ 21,877	\$ 21,691
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.*

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 350	\$ 391	\$ 365	\$ 199
<u>350</u>	<u>391</u>	<u>365</u>	<u>199</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 21,131	\$ 23,573	\$ 21,976	\$ 14,596
1.66%	1.66%	1.66%	1.36%



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## 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, 2021, 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 29, 2022.

### 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) as a basis for designing 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 financial statement. 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. CPAs LLP  
Wicks, Brown, Williams & Co., CPA's LLP  
Sebring, Florida

March 29, 2022

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## 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, 2021, and have issued our report thereon dated March 29, 2022.

### 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 29, 2022, should be considered in conjunction with this management letter.

### Prior Audit 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 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 established 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. CPAs LLP*

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

March 29, 2022

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## 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, 2021. 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, 2021.

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

March 29, 2022