

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT AUDIT REPORT

OF

TOWN OF HIGHLAND

LAKE COUNTY, INDIANA

January 1, 2019 to December 31, 2019



FILED

12/21/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Michael W. Griffin	01-01-19 to 12-31-21
President of the Town Council	Steven Wagner	01-01-19 to 12-31-19
	Mark Schocke	01-01-20 to 12-31-20
	Roger Sheeman	01-01-21 to 12-31-21
Public Works Director	John Bach	01-01-19 to 06-30-20
	(Vacant)	07-01-20 to 07-11-20
	Mark Knesek	07-12-20 to 12-31-21



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TOWN OF HIGHLAND, LAKE COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Town of Highland (Town), which comprises the financial position and results of operations for the year ended December 31, 2019, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statement 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 Town'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 statement.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

As discussed in Note 1 to the financial statement, the Town prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Town for the year ended December 31, 2019.


Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Town for the year ended December 31, 2019, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the Town's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement, and, accordingly, we express no opinion on them.


Paul D. Joyce, CPA
State Examiner

December 17, 2021

FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the Town. The financial statement and notes are presented as intended by the Town.

TOWN OF HIGHLAND
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2019

Fund	Cash and Investments		Disbursements	Cash and Investments 12-31-19
	01-01-19	Receipts		
General	\$ 5,596,967	\$ 7,855,881	\$ 6,924,976	\$ 6,527,872
Motor Vehicle Highway	103,894	177,504	152,729	128,669
Motor Vehicle Highway restricted sub fund	397,858	858,589	947,554	308,893
Local Road And Street	187,582	421,564	388,702	220,444
Special Community Crossing Grant Fund	245,687	1,542,490	1,661,670	126,507
Law Enforcement Continuing Ed	88,173	39,012	44,507	82,678
Unsafe Building	141,499	965	-	142,464
Parks And Recreation	1,175,312	2,555,609	2,387,623	1,343,298
Rainy Day	503,120	(152,317)	-	350,803
Hazardous Materials	13,624	1,700	2,250	13,074
Cumulative Capl Imprv Cigarette Tax	208,432	55,867	75,828	188,471
Cumulative Capital Development	1,470,261	573,386	419,049	1,624,598
Redevelopment Capital	2,238,906	37,454	277,400	1,998,960
General Improvement	139,942	8,477	-	148,419
Commercial Corridor	2,135,789	723,371	-	2,859,160
Police Pension	592,524	825,140	841,723	575,941
Park Non-Exempt B & I Fund	496,659	1,433,859	1,440,288	490,230
Redevelopment Bnd & Int Non-Exempt	120,523	219,974	234,868	105,629
CAGIT Public Safety	803,744	569,642	168,627	1,204,759
CEDIT Economic Dev. Income Tax Fund	1,288,918	653,126	471,396	1,470,648
Indiana Bicentennial Legacy Project Fund	922	-	779	143
Cardinal Campus Allocation	-	83,341	44,735	38,606
Donations	35,455	13,067	3,116	45,406
Fire Computer Grant	1	-	-	1
Solid Waste Planning	310,833	146,506	217,437	239,902
Escrow	9,776	87	-	9,863
Pk Donations	16,937	10,445	10,850	16,532
Fire Hs Grant	22	-	-	22
Federal Seized Assets	36,040	728	4,459	32,309
Highway Of Flags	26,772	890	-	27,662
Shared Ethics	73,600	22,462	26,577	69,485
Enforcement Block Grant	234	-	-	234
Redevelopment General	303,478	290,413	232,432	361,459
Innkeepers	24,311	4,812	-	29,123
Special Events	82,111	78,010	93,504	66,617
Local Seized Assets	17,507	225	-	17,732
Vips/Park Safety	14,629	6,000	-	20,629
Special Public Safety	13,548	1,986	-	15,534
Economic Development	37,686	250	-	37,936
Highland Downtown Tif	923,932	174,857	-	1,098,789
Highland Acres Tif	350,984	129,034	-	480,018
Corp B & I - New Debt	403,982	1,366,503	1,482,223	288,262
Park Bond (Proceeds)	1,087,415	226,977	523,472	790,920
Corporation Capital	5,348	-	-	5,348
Municipal Cumulative Street	6,908	18,955	19,845	6,018
Gaming Revenue Fund	363,298	235,950	363,517	235,731
Ict Fund	290,988	204,005	180,332	314,661
Payroll	(298)	3,376,242	3,375,915	29
Insurance-Other	4,948	2,576,202	2,578,124	3,026
Traffic Violations	3,722	131,050	130,500	4,272
Aflac Fsa Agency Fund	15,643	12,418	11,560	16,501
Gasoline & Oil Fund	(9,839)	127,533	117,458	236
Park License Fees	-	25,352	25,352	-
Retainage	91,578	96,019	153,984	33,613
Sewage Cash Reserve	541,985	(45,164)	390,000	106,821
Sewage Operating	703,033	3,747,310	3,747,946	702,397
Sewage Bond & Interest	1,244	-	-	1,244
Sewage Improvement	258,384	476,424	487,464	247,344
Sanitary Operating	553,751	2,333,093	2,315,033	571,811
San Dis Bd & Int - Exempt Debt	61,944	145,574	153,658	53,860
San Dist Extension	248,892	6,928	-	255,820
San Dist Capital	3,207,783	21,463	1,085,633	2,143,613
San Dis Bd & Int - New Debt	618,218	2,412,101	2,517,971	512,348
Water Bond Proceeds	38,505	-	38,505	-
Water Cash Reserve	820,651	1,003,812	1,027,000	797,463
Water Utility-Operating	700,001	2,521,098	2,521,099	700,000
Water Works District	1,587	324,011	151,951	173,647
Water Utility-Customer Deposit	113,236	82,971	83,866	112,341
Water Utility-Improvement	660,746	910,581	1,191,583	379,744
Totals	\$ 31,021,845	\$ 41,701,814	\$ 41,747,070	\$ 30,976,589

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

TOWN OF HIGHLAND
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the Town.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes. Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

Licenses and permits. Amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction, or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

TOWN OF HIGHLAND
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines charges, accident report copies, gun permit applications, recycling fees, animal license fees, business license fees, dog pound fees, park rental fees, cable TV receipts, ordinance violations, fines and fees, bond forfeitures, ~~court costs~~, and court receipts, distributed pursuant to IC 33-37-7-6.

Fines and forfeits. Amounts received from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees. Amounts received from charges for current services.

Penalties. Amounts received from late payment fees.

Other receipts. Amounts received from various sources, including, but not limited to, the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services. Amounts disbursed for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies. Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service - principal and interest. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the Town. It includes all expenditures for the reduction of the principal and interest of the Town's general obligation indebtedness.

TOWN OF HIGHLAND
NOTES TO FINANCIAL STATEMENT
(Continued)

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses. Amounts disbursed for operating the utilities.

Other disbursements. Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Town may, from time to time, make transfers from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Town. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Town. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the Town in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units, and, therefore, the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Town submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by December 31 of the year preceding the budget year or January 15 of the budget year if the Town is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

TOWN OF HIGHLAND
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the Town to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The Town may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund Defined Benefit Plan (PERF DB) is a cost-sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF DB is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the Town authority to contribute to the plan.

The Public Employees' Hybrid Plan (PERF Hybrid) consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

The Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the INPRS Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the Town authority to contribute to the plan.

New employees hired have a one-time election to join either the PERF Hybrid or the My Choice.

TOWN OF HIGHLAND
NOTES TO FINANCIAL STATEMENT
(Continued)

Financial Report

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Contributions

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation. The Town of Highland by ordinance contributes the three percent on behalf of the covered employees.

B. 1925 Police Officers' Pension Plan

Plan Description

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

On Behalf Payments

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

C. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977, providing retirement, disability, and survivor benefits.

TOWN OF HIGHLAND
NOTES TO FINANCIAL STATEMENT
(Continued)

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52.

Financial Report

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Contributions

The contribution requirements of plan members and the Town are established by the Board of Trustees of INPRS based on actuarial valuation. Employers may pay all or part of the member contribution for the member.

D. Additional Retirement Plans

The Town also authorizes employee contributions to additional defined contribution plans or deferred compensation plans, authorized under Section 457 of the Internal Revenue Code, managed by American United Life (AUL) One America Retirement Services. Information regarding these plans may be obtained from the Town.

Note 7. Negative Receipts and Disbursements

The financial statement contains some receipts that appear as negative entries. This is a result of posting errors corrected in the subsequent period.

Note 8. Holding Corporation

The Town has entered into a capital lease with the Lincoln Community Center Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the Town's Parks and Recreation Department. The lessor has been determined to be a related-party of the Town. Lease payments during the year 2019 totaled \$1,020,000, pursuant to the terms of the existing lease.

Further, the Town has entered into an additional capital lease with the Highland Public Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the Town's Police Department. The lessor has been determined to be a related-party of the Town. Lease payments during the year 2019 totaled \$857,000, pursuant to the terms of the existing lease.

TOWN OF HIGHLAND
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. Subsequent Events

Circuit Breaker Credits and Expiration of Special Exemption in FY 2020. After first enacted as state legislation, voters amended the Article 10 of the Indiana Constitution in 2008 to include the statutory language related to property tax circuit breaker "credits." Styled as credits but acting as tax caps, these credits limit the property tax liability of residential homesteads to 1 percent of their gross assessed valuation, non-homestead residential and farm property to 2 percent of their gross assessed valuation and all other property to 3 percent of its gross assessed valuation.

A special exemption was also provided for Lake and St. Joseph Counties that exempted all property tax levies imposed for debt service before July 1, 2008, from circuit breaker impact. This exemption expires December 31, 2019. It is estimated that there will be significant impacts to property tax collections for governments in Lake and St. Joseph Counties. The Legislative Services Agency updated its estimates for these counties at the request of a member of the Northwest Indiana delegation in the General Assembly. Based upon that estimate, the Town of Highland Civil and its Sanitary and Water special service districts are estimated to lose up to \$1.2 million dollars in property tax collections. Further, the impact will be even greater as this same law requires that the debt service levies be "protected," offsetting the circuit breaker losses by further reductions to all other non-debt service funds that have property tax levies. While this could represent an overall reduction of 89 percent in tax collections, owing to the provisions to "protect" the debt service levies, the effective collection rate in the General, Parks and Recreation, Redevelopment General, and the Cumulative Capital Development funds is estimated to be 84 percent. Further, for the Sanitary Operating fund, the prospect is that there will be no operating levy once the circuit breaker protection is applied.

It is believed that these impacts will be offset by a scheduled, intentionally established reserve balance in the General, Parks and Recreation, and Redevelopment General funds (see Highland Municipal Code, Sections 3.45.210 through 3.45.230 for its authorization). However, the circuit breaker loss presents a significant concern for revenue sustainability and resilience through economic cycles beyond 2020.

Pending Consent Decree for the Highland Sanitary District. The Highland Sanitary District, and the US Environmental Protection Agency (EPA), US Department of Justice (DOJ), and Indiana Department of Environmental Management (IDEM) have been engaged in protracted negotiation related to the financing of an approved plan to eliminate sanitary sewage overflows (SSO). The process involves coordination with the City of Hammond Sanitary District (Sanitary District), as it is the provider of treatment services for the Town. The capital improvement projects that are pending review and approval by the EPA, DOJ, and IDEM involves an estimated \$51,000,000 to improve the Town plant, and another estimated \$23,000,000 to improve the portion of the City of Hammond Sanitary Treatment plant that benefits the Town, for a total of approximately \$74 million. The project will require financing over time as the fiscal capacity for capital financing is limited to the 12 percent of one-third of the net assessed valuation of the Town, all pursuant to Indiana Code 36-9-25-27(f) and Indiana Code 36-1-15 et seq. At the end calendar year 2019, the fiscal capacity of the Sanitary District was \$33,774,373.

TOWN OF HIGHLAND
NOTES TO FINANCIAL STATEMENT
(Continued)

New Debt Issued in 2020 Refunding Bonds of the Outstanding Building America Bonds of the Sanitary District and the First Mortgage Build America Bonds of the Lincoln Community Center Building Corporation. In November 2020, the proper boards of jurisdiction initiated, and the Town Council approved, refunding bonds associated with the outstanding series of Build American Bonds issued by the Sanitary District and the Lincoln Community Center Building Corporation. An automatic sequester over federal appropriations went into effect near the end of the Obama Administration owing a failure for the Joint Select Committee on Deficit Reduction to propose a 10-year plan to reduce the deficit by \$1.5 trillion that was accepted by the Congress, and passed into law by December 2011. The sequestration went into effect March 1, 2013. This had the effect of reducing the federal offset credit of 35 percent of the interest payments on the debt to by 36 percent. The likelihood of savings was made more likely. The tax levy for debt service on the Sanitary District debt was reduced by \$1,239,427 from the levy in 2020. The lease levy for the Lincoln Community Center Building Corporation was reduced by \$641,752 from the levy in 2020. These lowered levies would go into effect in calendar year 2021. The net present value savings realized for each financing was \$382,121 for the Sanitary District and \$557,322 for the Lincoln Community Center. Further, the lower levies contributed to a significant reduction in the property tax rate for pay 2021.

New Debt Issued in FY 2021. In 2021, The Waterworks District issued special taxing district public works notes in the amount of \$1.7 million to be repaid over 10 years to support the costs associated with the refurbishing of the interior and the repaint of the exterior of the elevated water tank at Indianapolis Boulevard near Prairie Avenue. The financing also supported a water main replacement project for Martha Street.

The Park District authorized and sold Special Taxing District Bonds in the total amount of \$3.3 million. Series 2021 A, in the amount of \$407,000 with a five-year maturity, was successfully awarded to the Town as an investment at par for 1 percent over the life the bond. This will support the acquisition and replacement of certain moving equipment with a useful life of five to eight years. The 2021 B Series, in the amount of \$2.9 million, financed capital improvements and assets that had useful life in equal to or greater than 20 year, at an aggregate rate of 2.18 percent.

Wastewater and Stormwater Rate Study and Increase. The Board of Sanitary Commissioners adopted an increase to wastewater and stormwater rates that were approved by the Town Council in December 2020. The rates went into effect on February 1, 2021. The rates themselves were increased approximately 49-50 percent, but rendered an average increase to the total utility bill of 22 percent on residential consumption of seven thousand gallons.

Potable Water Wholesale Agreement Litigation and Negotiation for New Agreement with City of Hammond Water Department. In November 2020, the City of Hammond, without prior contact, proposed a rate increase to its retail customers and on all its wholesale customers even though the Town's wholesale agreement was still in force until 2026. The Town, joined by the customer wholesale communities of Dyer, Griffith, Munster, and Whiting, procured joint counsel and litigated the proposed rate increase, which if approved as proposed by the City of Hammond, would have increased wholesale rates by 46 percent in the first year, increasing to a peak of 54 percent, with an average increase of 40 percent over the 10 years. The new wholesale agreement was finally adopted in July 2021, with the settlement agreement on the litigation approved in September 2021. The new rates effective from January 1, 2021, retroactively provided an increase over 10 years in each year to the wholesale rate. The first-year rate increase is 28 percent, with a peak increase of 4.4 percent, and an average rate increase over the ten years of 5.6 percent. The Town, under the wholesale tracker in the rate ordinance, made the new rate effective with the bills mailed in September after notice was provided in the August invoice. The agreement runs 10 years and has provisions for its renewal over a period of 5 years.

TOWN OF HIGHLAND
NOTES TO FINANCIAL STATEMENT
(Continued)

Wastewater Wholesale Rate Study underway with City of Hammond Department of Public Sanitation and Sanitary District. An interim wholesale wastewater treatment agreement approved by the Town on February 17, 2017, fixed the interim rate at \$1.20 per 1,000 gallons treated. After a protracted process regarding the desired specifications to be used in soliciting a proper accounting professional firm between the City of Hammond and the two wholesale communities, the cost-of-service study began with a joint meeting with NEW GEN, the rate study professional firm, on February 1, 2021. The cost-of-service study continues.

Note 10. Other Postemployment Benefits

The Town of Highland provides to eligible retirees and their spouses the following benefits:

- A. As required under Indiana Code 5-10-8-2.6(e), all full-time non-public safety employees (and their spouses) who retire and are qualified for a retirement benefit under INPRS are eligible for continuation of the municipal group health (medical & dental) insurance, as well as group life insurance. The Town requires the retiree to pay the entire premium for the group medical and dental insurance. The Town is required by Indiana Code 5-10-8-2.6(c) to pay a portion of the group life insurance policy. The Town pays 50 percent of the premiums.

This postemployment benefit continues until the retiree or spouse reaches Medicare eligibility or two years after the death of the retiree, or until the remarriage of the spouse, or until the employer drops insurance for its full-time workforce.

- B. As required under Indiana Code 5-10-8-2.2(g), all full-time public safety employees (and their spouses) who retire and are qualified for a retirement benefit under a relevant public safety pension law are eligible for continuation of the municipal group health (medical & dental) insurance, as well as group life insurance. The Town requires the retiree to pay the entire premium for the group medical and dental insurance. The Town is required by Indiana Code 5-10-8-2.2(e) to pay a portion of the group life insurance policy. The Town pays 50 percent of the premiums.

This postemployment benefit continues until the retiree or spouse reaches Medicare eligibility or until the remarriage of the spouse, or when health insurance becomes available to the surviving spouse through employment, or until the employer drops insurance for its full-time workforce.

- C. As required under Indiana Code 5-10-8-2.2(g)(3), the surviving spouse or a dependent of a public safety officer who dies in the line of duty, is eligible for participation in the municipal group health (medical & dental) insurance as well as group life insurance. The municipality shall pay the benefits. This post-employment benefit continues for the life of the surviving spouse or dependent, whichever is longer, all pursuant to Indiana Code 36-8-6-9.7(f) and Indiana Code 36-8-6-10.1(h) for survivors whose spouses were under the 1925 Police Pension law, and Indiana Code 36-8-8-14.1(h) for survivors whose spouses were under the 1977 Public Safety Pension law.

These benefits pose a liability to the Town for this year and in future years. The Town commissioned an actuary to prepare a report using GASB 75 valuations and it is available for inspection and review. Further information regarding the benefits can be obtained by contacting the Office of the Town Clerk-Treasurer.

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OTHER INFORMATION - UNAUDITED

The Town's Annual Financial Report information can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Town's Annual Financial Report referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the Town. It is presented as intended by the Town.

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2019

	General	Motor Vehicle Highway	Motor Vehicle Highway restricted sub fund	Local Road And Street	Special Community Crossing Grant Fund
Cash and investments - beginning	\$ 5,596,967	\$ 103,894	\$ 397,858	\$ 187,582	\$ 245,687
Receipts:					
Taxes	5,057,877	-	-	-	-
Licenses and permits	1,049,260	-	-	-	-
Intergovernmental receipts	1,290,019	177,504	843,732	421,416	894,088
Charges for services	127,307	-	-	-	-
Fines and forfeits	70,996	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	260,422	-	14,857	148	648,402
Total receipts	<u>7,855,881</u>	<u>177,504</u>	<u>858,589</u>	<u>421,564</u>	<u>1,542,490</u>
Disbursements:					
Personal services	4,498,617	152,729	334,151	86,607	-
Supplies	195,063	-	205,609	-	-
Other services and charges	2,226,327	-	185,882	302,095	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	45,413	-	1,661,670
Utility operating expenses	-	-	-	-	-
Other disbursements	4,969	-	176,499	-	-
Total disbursements	<u>6,924,976</u>	<u>152,729</u>	<u>947,554</u>	<u>388,702</u>	<u>1,661,670</u>
Excess (deficiency) of receipts over disbursements	<u>930,905</u>	<u>24,775</u>	<u>(88,965)</u>	<u>32,862</u>	<u>(119,180)</u>
Cash and investments - ending	<u>\$ 6,527,872</u>	<u>\$ 128,669</u>	<u>\$ 308,893</u>	<u>\$ 220,444</u>	<u>\$ 126,507</u>

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2019

	Law Enforcement Continuing Ed	Unsafe Building	Parks And Recreation	Rainy Day	Hazardous Materials
Cash and investments - beginning	\$ 88,173	\$ 141,499	\$ 1,175,312	\$ 503,120	\$ 13,624
Receipts:					
Taxes	-	-	1,106,504	-	-
Licenses and permits	7,910	-	-	-	-
Intergovernmental receipts	-	-	90,742	-	-
Charges for services	29,949	-	1,296,513	-	1,700
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	1,153	965	61,850	(152,317)	-
Total receipts	39,012	965	2,555,609	(152,317)	1,700
Disbursements:					
Personal services	-	-	1,149,833	-	-
Supplies	10,500	-	97,297	-	-
Other services and charges	34,007	-	1,104,580	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	35,913	-	2,250
Total disbursements	44,507	-	2,387,623	-	2,250
Excess (deficiency) of receipts over disbursements	(5,495)	965	167,986	(152,317)	(550)
Cash and investments - ending	\$ 82,678	\$ 142,464	\$ 1,343,298	\$ 350,803	\$ 13,074

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2019

	Cumulative Capl Imprv Cigarette Tax	Cumulative Capital Development	Redevelopment Capital	General Improvement	Commercial Corridor
Cash and investments - beginning	\$ 208,432	\$ 1,470,261	\$ 2,238,906	\$ 139,942	\$ 2,135,789
Receipts:					
Taxes	-	513,545	-	-	723,371
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	54,209	42,158	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	1,658	17,683	37,454	8,477	-
Total receipts	55,867	573,386	37,454	8,477	723,371
Disbursements:					
Personal services	-	1,165	-	-	-
Supplies	-	9,356	-	-	-
Other services and charges	35,828	56,289	269,829	-	-
Debt service - principal and interest	-	2,932	-	-	-
Capital outlay	-	108,733	5,333	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	40,000	240,574	2,238	-	-
Total disbursements	75,828	419,049	277,400	-	-
Excess (deficiency) of receipts over disbursements	(19,961)	154,337	(239,946)	8,477	723,371
Cash and investments - ending	\$ 188,471	\$ 1,624,598	\$ 1,998,960	\$ 148,419	\$ 2,859,160

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2019

	Police Pension	Park Non-Exempt B & I Fund	Redevelopment Bnd & Int Non-Exempt	CAGIT Public Safety	CEDIT Economic Dev. Income Tax Fund
Cash and investments - beginning	\$ 592,524	\$ 496,659	\$ 120,523	\$ 803,744	\$ 1,288,918
Receipts:					
Taxes	2,118	1,329,922	185,300	560,620	648,754
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	171	103,937	14,481	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	822,851	-	20,193	9,022	4,372
Total receipts	825,140	1,433,859	219,974	569,642	653,126
Disbursements:					
Personal services	836,138	-	-	-	-
Supplies	45	-	-	-	-
Other services and charges	5,540	1,440,288	350	-	-
Debt service - principal and interest	-	-	234,518	-	-
Capital outlay	-	-	-	168,627	121,396
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	350,000
Total disbursements	841,723	1,440,288	234,868	168,627	471,396
Excess (deficiency) of receipts over disbursements	(16,583)	(6,429)	(14,894)	401,015	181,730
Cash and investments - ending	\$ 575,941	\$ 490,230	\$ 105,629	\$ 1,204,759	\$ 1,470,648

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2019

	Indiana Bicentennial Legacy Project Fund	Cardinal Campus Allocation	Donations	Fire Computer Grant	Solid Waste Planning
Cash and investments - beginning	\$ 922	\$ -	\$ 35,455	\$ 1	\$ 310,833
Receipts:					
Taxes	-	83,341	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	142,368
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	-	13,067	-	4,138
Total receipts	-	83,341	13,067	-	146,506
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	4,901
Other services and charges	-	1,250	-	-	212,536
Debt service - principal and interest	-	43,485	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	779	-	3,116	-	-
Total disbursements	779	44,735	3,116	-	217,437
Excess (deficiency) of receipts over disbursements	(779)	38,606	9,951	-	(70,931)
Cash and investments - ending	\$ 143	\$ 38,606	\$ 45,406	\$ 1	\$ 239,902

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2019

	Escrow	Pk Donations	Fire Hs Grant	Federal Seized Assets	Highway Of Flags
Cash and investments - beginning	\$ 9,776	\$ 16,937	\$ 22	\$ 36,040	\$ 26,772
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	87	10,445	-	728	890
Total receipts	87	10,445	-	728	890
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	10,850	-	4,459	-
Total disbursements	-	10,850	-	4,459	-
Excess (deficiency) of receipts over disbursements	87	(405)	-	(3,731)	890
Cash and investments - ending	\$ 9,863	\$ 16,532	\$ 22	\$ 32,309	\$ 27,662

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2019

	Shared Ethics	Enforcement Block Grant	Redevelopment General	Innkeepers	Special Events
Cash and investments - beginning	\$ 73,600	\$ 234	\$ 303,478	\$ 24,311	\$ 82,111
Receipts:					
Taxes	-	-	255,184	4,725	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	23,407	-	-
Charges for services	-	-	5,595	-	75,075
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	22,462	-	6,227	87	2,935
Total receipts	22,462	-	290,413	4,812	78,010
Disbursements:					
Personal services	-	-	127,014	-	-
Supplies	278	-	3,512	-	428
Other services and charges	25,503	-	98,031	-	92,998
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	796	-	3,875	-	78
Total disbursements	26,577	-	232,432	-	93,504
Excess (deficiency) of receipts over disbursements	(4,115)	-	57,981	4,812	(15,494)
Cash and investments - ending	\$ 69,485	\$ 234	\$ 361,459	\$ 29,123	\$ 66,617

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2019

	Local Seized Assets	Vips/Park Safety	Special Public Safety	Economic Development	Highland Downtown Tif
Cash and investments - beginning	\$ 17,507	\$ 14,629	\$ 13,548	\$ 37,686	\$ 923,932
Receipts:					
Taxes	-	-	-	-	174,857
Licenses and permits	-	-	1,850	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	6,000	-	250	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	225	-	136	-	-
Total receipts	225	6,000	1,986	250	174,857
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	225	6,000	1,986	250	174,857
Cash and investments - ending	\$ 17,732	\$ 20,629	\$ 15,534	\$ 37,936	\$ 1,098,789

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2019

	Highland Acres Tif	Corp B & I - New Debt	Park Bond (Proceeds)	Corporation Capital	Municipal Cumulative Street
Cash and investments - beginning	\$ 350,984	\$ 403,982	\$ 1,087,415	\$ 5,348	\$ 6,908
Receipts:					
Taxes	129,034	1,267,450	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	99,053	182,207	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	-	44,770	-	18,955
Total receipts	129,034	1,366,503	226,977	-	18,955
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	857,000	3,738	-	-
Debt service - principal and interest	-	625,223	-	-	-
Capital outlay	-	-	519,734	-	19,845
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	1,482,223	523,472	-	19,845
Excess (deficiency) of receipts over disbursements	129,034	(115,720)	(296,495)	-	(890)
Cash and investments - ending	\$ 480,018	\$ 288,262	\$ 790,920	\$ 5,348	\$ 6,018

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2019

	Gaming Revenue Fund	Ict Fund	Payroll	Insurance-Other	Traffic Violations
Cash and investments - beginning	\$ 363,298	\$ 290,988	\$ (298)	\$ 4,948	\$ 3,722
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	182,918	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	50
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	53,032	204,005	3,376,242	2,576,202	131,000
Total receipts	235,950	204,005	3,376,242	2,576,202	131,050
Disbursements:					
Personal services	-	-	-	-	-
Supplies	48,389	775	-	-	-
Other services and charges	119,930	179,557	-	2,578,124	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	13,295	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	181,903	-	3,375,915	-	130,500
Total disbursements	363,517	180,332	3,375,915	2,578,124	130,500
Excess (deficiency) of receipts over disbursements	(127,567)	23,673	327	(1,922)	550
Cash and investments - ending	\$ 235,731	\$ 314,661	\$ 29	\$ 3,026	\$ 4,272

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2019

	Aflac Fsa Agency Fund	Gasoline & Oil Fund	Park License Fees	Retainage	Sewage Cash Reserve
Cash and investments - beginning	\$ 15,643	\$ (9,839)	\$ -	\$ 91,578	\$ 541,985
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	(45,164)
Penalties	-	-	-	-	-
Other receipts	12,418	127,533	25,352	96,019	-
Total receipts	<u>12,418</u>	<u>127,533</u>	<u>25,352</u>	<u>96,019</u>	<u>(45,164)</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	117,458	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	153,984	-
Utility operating expenses	-	-	-	-	-
Other disbursements	11,560	-	25,352	-	390,000
Total disbursements	<u>11,560</u>	<u>117,458</u>	<u>25,352</u>	<u>153,984</u>	<u>390,000</u>
Excess (deficiency) of receipts over disbursements	<u>858</u>	<u>10,075</u>	<u>-</u>	<u>(57,965)</u>	<u>(435,164)</u>
Cash and investments - ending	<u>\$ 16,501</u>	<u>\$ 236</u>	<u>\$ -</u>	<u>\$ 33,613</u>	<u>\$ 106,821</u>

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2019

	Sewage Operating	Sewage Bond & Interest	Sewage Improvement	Sanitary Operating	San Dis Bd & Int - Exempt Debt
Cash and investments - beginning	\$ 703,033	\$ 1,244	\$ 258,384	\$ 553,751	\$ 61,944
Receipts:					
Taxes	-	-	-	129,131	135,533
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	15,386	10,041
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	3,663,533	-	401,595	2,166,555	-
Penalties	18,390	-	-	11,154	-
Other receipts	65,387	-	74,829	10,867	-
Total receipts	<u>3,747,310</u>	<u>-</u>	<u>476,424</u>	<u>2,333,093</u>	<u>145,574</u>
Disbursements:					
Personal services	646,886	-	-	408,774	-
Supplies	-	-	-	-	-
Other services and charges	312,607	-	-	228,937	-
Debt service - principal and interest	-	-	-	-	153,658
Capital outlay	-	-	454,414	-	-
Utility operating expenses	194,247	-	-	1,648,993	-
Other disbursements	2,594,206	-	33,050	28,329	-
Total disbursements	<u>3,747,946</u>	<u>-</u>	<u>487,464</u>	<u>2,315,033</u>	<u>153,658</u>
Excess (deficiency) of receipts over disbursements	<u>(636)</u>	<u>-</u>	<u>(11,040)</u>	<u>18,060</u>	<u>(8,084)</u>
Cash and investments - ending	<u>\$ 702,397</u>	<u>\$ 1,244</u>	<u>\$ 247,344</u>	<u>\$ 571,811</u>	<u>\$ 53,860</u>

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2019

	San Dist Extension	San Dist Capital	San Dis Bd & Int - New Debt	Water Bond Proceeds	Water Cash Reserve
Cash and investments - beginning	\$ 248,892	\$ 3,207,783	\$ 618,218	\$ 38,505	\$ 820,651
Receipts:					
Taxes	-	-	2,145,241	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	158,475	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	363,698
Penalties	-	-	-	-	-
Other receipts	6,928	21,463	108,385	-	640,114
Total receipts	6,928	21,463	2,412,101	-	1,003,812
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	2,517,971	-	-
Capital outlay	-	1,022,633	-	38,505	-
Utility operating expenses	-	17,850	-	-	-
Other disbursements	-	45,150	-	-	1,027,000
Total disbursements	-	1,085,633	2,517,971	38,505	1,027,000
Excess (deficiency) of receipts over disbursements	6,928	(1,064,170)	(105,870)	(38,505)	(23,188)
Cash and investments - ending	\$ 255,820	\$ 2,143,613	\$ 512,348	\$ -	\$ 797,463

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2019

	Water Utility-Operating	Water Works District	Water Utility-Customer Deposit	Water Utility-Improvement	Totals
Cash and investments - beginning	\$ 700,001	\$ 1,587	\$ 113,236	\$ 660,746	\$ 31,021,845
Receipts:					
Taxes	-	156,776	-	-	14,609,283
Licenses and permits	-	-	-	-	1,059,020
Intergovernmental receipts	-	12,727	-	-	4,616,671
Charges for services	-	-	-	-	1,684,757
Fines and forfeits	-	-	-	-	71,046
Utility fees	2,141,331	-	-	908,234	9,599,782
Penalties	143,921	-	-	-	173,465
Other receipts	235,846	154,508	82,971	2,347	9,887,790
Total receipts	<u>2,521,098</u>	<u>324,011</u>	<u>82,971</u>	<u>910,581</u>	<u>41,701,814</u>
Disbursements:					
Personal services	636,661	-	-	-	8,878,575
Supplies	-	-	-	-	693,611
Other services and charges	255,555	-	-	-	10,626,781
Debt service - principal and interest	-	151,951	-	-	3,729,738
Capital outlay	-	-	-	953,105	5,286,687
Utility operating expenses	433,563	-	-	238,478	2,533,131
Other disbursements	1,195,320	-	83,866	-	9,998,547
Total disbursements	<u>2,521,099</u>	<u>151,951</u>	<u>83,866</u>	<u>1,191,583</u>	<u>41,747,070</u>
Excess (deficiency) of receipts over disbursements	<u>(1)</u>	<u>172,060</u>	<u>(895)</u>	<u>(281,002)</u>	<u>(45,256)</u>
Cash and investments - ending	<u>\$ 700,000</u>	<u>\$ 173,647</u>	<u>\$ 112,341</u>	<u>\$ 379,744</u>	<u>\$ 30,976,589</u>

TOWN OF HIGHLAND
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2019

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Wastewater	\$ 219,787	\$ 584,021
Water	56,697	211,763
Governmental activities	<u>132,628</u>	<u>452,310</u>
Totals	<u>\$ 409,112</u>	<u>\$ 1,248,094</u>

TOWN OF HIGHLAND
SCHEDULE OF LEASES AND DEBT
December 31, 2019

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date
Governmental activities:			
First Midwest Bank	To finance the purchase of 2 fire trucks	\$ 54,005	2/1/2012
Highland Public Building Corporation	To finance Police Station Facility	838,500	7/1/2015
Huntington	To finance the purchase of a rescue truck	81,600	8/1/2016
Lincoln Center Building Corporation	To finance Park Facility	1,020,000	6/30/2011
US BANCORP	To finance Dump Truck	<u>94,058</u>	8/1/2017
Total governmental activities		<u>2,088,163</u>	
Total of annual lease payments		<u>\$ 2,088,163</u>	

Type	Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Corporation Bonds of 2008	\$ -	\$ -
General obligation bonds	Corporation Promissory Note 2015	210,000	212,142
General obligation bonds	Highland Park Bonds of 2012 Series B	510,000	181,688
General obligation bonds	Park Bond 2016	1,600,000	230,000
General obligation bonds	Redevelopment District Bonds of 2014	945,000	230,318
Revenue bonds	Economic Development Revenue Bonds Series 2018 (Cardinal Campus Project)	<u>5,810,000</u>	<u>347,375</u>
Total governmental activities		<u>9,075,000</u>	<u>1,201,523</u>
Wastewater:			
General obligation bonds	Highland Sanitary District BABs Series 2009 B	3,820,000	618,690
General obligation bonds	Highland Sanitary Series 2007 B	741,500	148,866
General obligation bonds	Sanitary Bonds of 2016 Series A	520,000	90,000
General obligation bonds	Sanitary Bonds of 2016 Series B	5,865,000	496,500
General obligation bonds	Sanitary Bonds of 2017 A	256,000	259,328
General obligation bonds	Sanitary Bonds of 2017 B	3,016,000	538,530
General obligation bonds	Sanitary District Taxable BABs Series 2010	<u>1,254,000</u>	<u>196,103</u>
Total Wastewater		<u>15,472,500</u>	<u>2,348,017</u>
Water:			
General obligation bonds	Waterworks Special Taxing District Bonds 2015	<u>715,000</u>	<u>144,196</u>
Totals		<u>\$ 25,262,500</u>	<u>\$ 3,693,736</u>

TOWN OF HIGHLAND
SCHEDULE OF CAPITAL ASSETS
December 31, 2019

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 3,152,576
Infrastructure	66,484,625
Buildings	28,792,820
Improvements other than buildings	5,413,950
Machinery, equipment, and vehicles	6,213,054
Books and other	<u>212,904</u>
Total governmental activities	<u>110,269,929</u>
Wastewater:	
Land	43,285
Infrastructure	35,013,826
Improvements other than buildings	569,059
Machinery, equipment, and vehicles	1,923,698
Books and other	<u>42,895</u>
Total Wastewater	<u>37,592,763</u>
Water:	
Land	17,661
Infrastructure	17,844,647
Buildings	1,062,132
Improvements other than buildings	3,957,279
Machinery, equipment, and vehicles	1,092,240
Books and other	<u>36,838</u>
Total Water	<u>24,010,797</u>
Total capital assets	<u>\$ 171,873,489</u>

OTHER REPORTS

In addition to this report, other reports may have been issued for the Town. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.