

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, 2020 to December 31, 2020



FILED

12/29/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Michael W. Griffin	01-01-20 to 12-31-21
President of the Town Council	Mark Schocke	01-01-20 to 01-10-21
	Roger Sheeman	01-11-21 to 12-31-21
Public Works Director	John Bach	01-01-20 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, 2020, 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 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 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, 2020.

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, 2020, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 17, 2021, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Town'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 Town's internal control over financial reporting and compliance.


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, 2020

Fund	Cash and	Receipts	Disbursements	Cash and
	Investments			Investments
	01-01-20			12-31-20
General	\$ 6,527,870	\$ 7,186,313	\$ 7,623,383	\$ 6,090,800
Motor Vehicle Highway	128,669	58,454	158,548	28,575
Motor Vehicle Highway Restricted sub fund	308,890	1,075,499	703,109	681,280
Local Road And Street	220,444	407,126	401,190	226,380
Special Community Crossing Grant Fund	126,507	1,804,057	1,516,770	413,794
Law Enforcement Continuing Ed	82,678	44,157	36,242	90,593
Unsafe Building	142,464	236	-	142,700
Parks And Recreation	1,343,296	2,035,329	2,060,772	1,317,853
Rainy Day	350,803	155,044	250,000	255,847
Hazardous Materials	13,074	-	8,266	4,808
Cumulative Capl Imprv Cigarette Tax	188,471	52,021	91,000	149,492
Cumulative Capital Development	1,624,598	512,207	368,810	1,767,995
Redevelopment Capital	1,998,959	7,507	98,636	1,907,830
General Improvement	148,419	5,309	-	153,728
Commercial Corridor	2,859,160	781,395	-	3,640,555
Police Pension	575,941	865,083	852,927	588,097
Park Non-Exempt B & I Fund	490,231	1,849,802	1,250,241	1,089,792
Redevelopment Bnd & Int Non-Exempt	105,628	278,813	275,823	108,618
CAGIT Public Safety	1,204,759	672,801	357,771	1,519,789
CEDIT Economic Dev. Income Tax Fund	1,470,647	711,722	443,732	1,738,637
Indiana Bicentennial Legacy Project Fund	143	-	-	143
Cardinal Campus Allocation	38,606	220,176	78,462	180,320
CARES Reimbursement Grant	-	726,156	-	726,156
CARES Act CDBG Fund	-	11,726	-	11,726
Donations	45,407	25,740	3,355	67,792
Fire Computer Grant	1	-	-	1
Solid Waste Planning	239,902	143,380	191,136	192,146
Escrow	9,863	21	-	9,884
Pk Donations	16,533	9,801	13,310	13,024
Fire Hs Grant	22	-	-	22
Federal Seized Assets	32,309	485	13,068	19,726
Highway Of Flags	27,663	145	-	27,808
Shared Ethics	69,485	21,664	1,745	89,404
Enforcement Block Grant	234	-	-	234
Redevelopment General	361,461	249,016	211,037	399,440
Innkeepers	29,124	4,746	2,000	31,870
Special Events	66,617	1,360	8,886	59,091
Local Seized Assets	17,732	55	-	17,787
Vips/Park Safety	20,629	5,500	-	26,129
Special Public Safety	15,534	33	-	15,567
Economic Development	37,936	-	-	37,936
Highland Downtown Tif	1,098,790	165,071	607,691	656,170
Highland Acres Tif	480,017	114,220	-	594,237
Corp B & I - New Debt	288,262	1,860,235	1,774,054	374,443
Park Bond (Proceeds)	790,920	75,779	247,090	619,609
Corporation Capital	5,348	(5,348)	-	-
Municipal Cumulative Street	6,018	15,056	16,580	4,494
Gaming Revenue Fund	235,731	159,644	249,663	145,712
Ict Fund	314,661	212,446	211,345	315,762
Payroll	28	3,495,163	3,495,152	39
Insurance-Other	3,026	2,636,923	2,818,245	(178,296)
Traffic Violations	4,272	92,775	91,250	5,797
Aflac Fsa Agency Fund	16,501	8,658	8,346	16,813
Gasoline & Oil Fund	236	83,651	83,651	236
Park License Fees	-	26,113	26,113	-
Retainage	33,613	-	-	33,613
Sewage Cash Reserve	106,821	-	105,000	1,821
Sewage Operating	702,397	3,529,133	3,531,406	700,124
Sewage Bond & Interest	1,244	-	-	1,244
Sewage Improvement	247,344	657,092	143,926	760,510
Sanitary Operating	571,811	2,442,602	2,399,180	615,233
San Dis Bd & Int - Exempt Debt	53,861	(53,861)	-	-
San Dist Extension	255,820	4,273	-	260,093
Wastewater Utility-Other #4	2,143,613	115,891	840,302	1,419,202
Sanitary B & I - New Debt	512,348	3,329,453	3,302,513	539,288
Water Cash Reserve	797,463	-	539,211	258,252
Water Utility-Operating	700,001	2,739,001	2,738,873	700,129
Water Works District	173,647	(29,938)	144,192	(483)
Water Utility-Customer Deposit	112,343	92,396	109,673	95,066
Water Utility-Improvement	379,743	1,028,867	800,069	608,541
Totals	\$ 30,976,588	\$ 42,718,174	\$ 41,303,744	\$ 32,391,018

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

TOWN OF HIGHLAND
NOTES TO FINANCIAL STATEMENT

Special Preface: It should be noted the national and state governments declared a public health emergency beginning in March of 2020, owing to the COVID-19 Novel Virus public health threat, eventually being declared a pandemic by the appropriate authorities. The challenge in the fiscal year reported in these financial statements and notes was to maintain continuity of government operations, essential public services, and protect the public workers who worked during this still on-going event. While appropriate standards should be preserved, it is important to memorialize the additional challenge to the municipality owing to a once-in a century public health emergency.

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.

TOWN OF HIGHLAND
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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, and court receipts, distributed pursuant to Indiana Code 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.

TOWN OF HIGHLAND
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

TOWN OF HIGHLAND
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

TOWN OF HIGHLAND
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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, by ordinance, contributes the 3 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.

TOWN OF HIGHLAND
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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 Pension Plans

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

Note 7. Negative Receipts

The financial statement contains some receipts which appear as negative entries. This is a result of errors made in the prior period being corrected by reversing the original entry. Since the original entry and the correction were made in separate periods, a negative receipt/disbursement was shown in the current period.

TOWN OF HIGHLAND
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. Cash Balance Deficits

The financial statement contains 69 discrete funds. It contains 2 funds with deficits in cash, 1 involving a delay in fully funding an agency fund dedicated to insurance premiums of the executive departments of the municipality, the other, a debt service fund, has a credit balance due to the effect of operating balance limitations for debt service funds and the impact of the circuit breaker credits.

The Insurance-Other fund (Insurance Premium Fund) is an agency fund of the Town used to account for resources from the several contributing funds of the government and its utilities that support municipal-wide payments for all insurance plans where there are shared department contributions. This fund is necessary and desirable in order to allow a single check to be issued to the vendors providing the insurance services. The Insurance Premium Fund reported for the period ending December 31, 2020, a deficit of \$178,296, rendering a credit balance of \$178,296. It appears that the contributions for several departments workers compensation premiums still need to be collected.

Each year upon receipt of the Worker Compensation Premium Invoice, the Clerk-Treasurer prepares an allocation instruction that accompanies the invoice to discretely identify the allocated department shares due. The Insurance Premium Fund relies upon the contributions from the several departments and associated funds, which are allowed at meetings that occur throughout the month. The matter will be addressed by the proper staff person now in place and the funds will be paid from the several departments. This should bring the fund balance to zero.

The Water Works District fund (Waterworks District Bond and Interest Fund) is a fund associated with the special taxing district of the Department of Waterworks of the Town, organized under Indiana Code 8-1.5-4 et seq. This fund is budgeted to support the payment of principal and interest on special taxing bonds issued by the waterworks district for capital improvements to the utility plant as authorized by law. While a protected fund, the circuit breaker provisions amended into Article 10, Section 1(e) and (f) of the Indiana Constitution, which operate as a tax cap on the several classes of real property, still impact the collections in debt service funds on properties owned by persons aged 65 and older. Further, the amount of the property tax levy in a debt service fund that can be imposed to support "operating balance," for all debt service incurred after June 30, 2014, was changed by the Indiana Legislature to a significantly lesser amount than was permitted for debt incurred, prior to July 1, 2014. (See Indiana Code 6-1.1-17-22). This lower amount placed added pressure on the ability to manage internal temporary loans for cash flow in these funds. Further, there is a legal duty to pay the debt service to bond holders and all agency fees, for which there was sufficient appropriations. The estimate that informed the temporary cash loan was short by \$483. This will be corrected in future temporary loan calculations as debt service continues.

Note 9. Holding Corporations

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 2020 totaled \$510,000 pursuant to the terms of the new lease amended owing a refunding of the First Mortgage Bonds of the Lincoln Community Center Building Corporation. (See subsequent events dealing with refunding.)

TOWN OF HIGHLAND
NOTES TO FINANCIAL STATEMENT
(Continued)

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 2020 totaled \$838,500 pursuant to the terms of the existing lease.

Note 10. Subsequent Events

Pending Consent Decree for the Highland Sanitary District. The Highland Sanitary District, and the U.S. Environmental Protection Agency (EPA), U.S. 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 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 of calendar year 2019, the fiscal capacity of the Sanitary District was \$33,774,373.

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 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 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.

TOWN OF HIGHLAND
NOTES TO FINANCIAL STATEMENT
(Continued)

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 5 to 8 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 years, 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 was 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 10 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.

Note 11. Other Postemployment Benefits

The Town 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 and 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 post employment 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 and 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.

TOWN OF HIGHLAND
NOTES TO FINANCIAL STATEMENT
(Continued)

This post employment 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 and 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 these benefits can be obtained by contacting the Office of the Town Clerk-Treasurer.

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, 2020

	General	Motor Vehicle Highway	Motor Vehicle Highway Restricted sub fund	Local Road And Street	Special Community Crossing Grant Fund	Law Enforcement Continuing Ed
Cash and investments - beginning	\$ 6,527,870	\$ 128,669	\$ 308,890	\$ 220,444	\$ 126,507	\$ 82,678
Receipts:						
Taxes	4,698,668	-	-	-	-	-
Licenses and permits	905,943	-	-	-	-	20,905
Intergovernmental receipts	1,177,292	58,454	-	407,090	796,327	-
Charges for services	111,458	-	-	-	-	22,970
Fines and forfeits	49,182	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	243,770	-	1,075,499	36	1,007,730	282
Total receipts	7,186,313	58,454	1,075,499	407,126	1,804,057	44,157
Disbursements:						
Personal services	4,717,631	158,548	-	86,595	-	-
Supplies	189,677	-	-	-	-	17,921
Other services and charges	2,362,372	-	-	75,595	-	18,321
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	3,470	-	-	-	1,516,770	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	350,233	-	703,109	239,000	-	-
Total disbursements	7,623,383	158,548	703,109	401,190	1,516,770	36,242
Excess (deficiency) of receipts over disbursements	(437,070)	(100,094)	372,390	5,936	287,287	7,915
Cash and investments - ending	\$ 6,090,800	\$ 28,575	\$ 681,280	\$ 226,380	\$ 413,794	\$ 90,593

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2020

	Unsafe Building	Parks And Recreation	Rainy Day	Hazardous Materials	Cumulative Capl Imprv Cigarette Tax	Cumulative Capital Development
Cash and investments - beginning	\$ 142,464	\$ 1,343,296	\$ 350,803	\$ 13,074	\$ 188,471	\$ 1,624,598
Receipts:						
Taxes	-	977,856	-	-	-	466,519
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	90,658	-	-	51,446	43,279
Charges for services	-	842,430	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	236	124,385	155,044	-	575	2,409
Total receipts	236	2,035,329	155,044	-	52,021	512,207
Disbursements:						
Personal services	-	1,074,806	-	-	-	211
Supplies	-	80,533	-	8,266	-	2,045
Other services and charges	-	860,479	-	-	-	68,679
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	144,405
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	44,954	250,000	-	91,000	153,470
Total disbursements	-	2,060,772	250,000	8,266	91,000	368,810
Excess (deficiency) of receipts over disbursements	236	(25,443)	(94,956)	(8,266)	(38,979)	143,397
Cash and investments - ending	\$ 142,700	\$ 1,317,853	\$ 255,847	\$ 4,808	\$ 149,492	\$ 1,767,995

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2020

	Redevelopment Capital	General Improvement	Commercial Corridor	Police Pension	Park Non-Exempt B & I Fund	Redevelopment Bnd & Int Non-Exempt
Cash and investments - beginning	\$ 1,998,959	\$ 148,419	\$ 2,859,160	\$ 575,941	\$ 490,231	\$ 105,628
Receipts:						
Taxes	-	-	781,395	2,037	1,407,705	201,683
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	182	114,894	16,492
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	7,507	5,309	-	862,864	327,203	60,638
Total receipts	7,507	5,309	781,395	865,083	1,849,802	278,813
Disbursements:						
Personal services	-	-	-	847,086	-	-
Supplies	-	-	-	297	-	-
Other services and charges	95,435	-	-	5,544	881,350	350
Debt service - principal and interest	-	-	-	-	41,688	230,318
Capital outlay	979	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	2,222	-	-	-	327,203	45,155
Total disbursements	98,636	-	-	852,927	1,250,241	275,823
Excess (deficiency) of receipts over disbursements	(91,129)	5,309	781,395	12,156	599,561	2,990
Cash and investments - ending	\$ 1,907,830	\$ 153,728	\$ 3,640,555	\$ 588,097	\$ 1,089,792	\$ 108,618

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2020

	CAGIT Public Safety	CEDIT Economic Dev. Income Tax Fund	Indiana Bicentennial Legacy Project Fund	Cardinal Campus Allocation	CARES Reimbursement Grant	CARES Act CDBG Fund
Cash and investments - beginning	\$ 1,204,759	\$ 1,470,647	\$ 143	\$ 38,606	\$ -	\$ -
Receipts:						
Taxes	622,672	708,953	-	220,176	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	50,129	2,769	-	-	726,156	11,726
Total receipts	<u>672,801</u>	<u>711,722</u>	<u>-</u>	<u>220,176</u>	<u>726,156</u>	<u>11,726</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	65,738	-	-	-	-	-
Other services and charges	14,149	931	-	1,250	-	-
Debt service - principal and interest	-	-	-	77,212	-	-
Capital outlay	277,884	92,801	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	350,000	-	-	-	-
Total disbursements	<u>357,771</u>	<u>443,732</u>	<u>-</u>	<u>78,462</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>315,030</u>	<u>267,990</u>	<u>-</u>	<u>141,714</u>	<u>726,156</u>	<u>11,726</u>
Cash and investments - ending	<u>\$ 1,519,789</u>	<u>\$ 1,738,637</u>	<u>\$ 143</u>	<u>\$ 180,320</u>	<u>\$ 726,156</u>	<u>\$ 11,726</u>

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2020

	Donations	Fire Computer Grant	Solid Waste Planning	Escrow	Pk Donations	Fire Hs Grant
Cash and investments - beginning	\$ 45,407	\$ 1	\$ 239,902	\$ 9,863	\$ 16,533	\$ 22
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	142,368	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	25,740	-	1,012	21	9,801	-
Total receipts	25,740	-	143,380	21	9,801	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	159,783	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	31,353	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	3,355	-	-	-	13,310	-
Total disbursements	3,355	-	191,136	-	13,310	-
Excess (deficiency) of receipts over disbursements	22,385	-	(47,756)	21	(3,509)	-
Cash and investments - ending	\$ 67,792	\$ 1	\$ 192,146	\$ 9,884	\$ 13,024	\$ 22

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2020

	Federal Seized Assets	Highway Of Flags	Shared Ethics	Enforcement Block Grant	Redevelopment General	Innkeepers
Cash and investments - beginning	\$ 32,309	\$ 27,663	\$ 69,485	\$ 234	\$ 361,461	\$ 29,124
Receipts:						
Taxes	-	-	-	-	224,092	4,725
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	20,774	-
Charges for services	-	-	20,178	-	2,000	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	485	145	1,486	-	2,150	21
Total receipts	485	145	21,664	-	249,016	4,746
Disbursements:						
Personal services	-	-	-	-	136,593	-
Supplies	-	-	-	-	4,913	-
Other services and charges	-	-	1,745	-	69,181	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	13,068	-	-	-	350	2,000
Total disbursements	13,068	-	1,745	-	211,037	2,000
Excess (deficiency) of receipts over disbursements	(12,583)	145	19,919	-	37,979	2,746
Cash and investments - ending	\$ 19,726	\$ 27,808	\$ 89,404	\$ 234	\$ 399,440	\$ 31,870

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2020

	Special Events	Local Seized Assets	Vips/Park Safety	Special Public Safety	Economic Development	Highland Downtown Tif
Cash and investments - beginning	\$ 66,617	\$ 17,732	\$ 20,629	\$ 15,534	\$ 37,936	\$ 1,098,790
Receipts:						
Taxes	-	-	-	-	-	165,071
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	561	-	5,500	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	799	55	-	33	-	-
Total receipts	1,360	55	5,500	33	-	165,071
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	882	-	-	-	-	-
Other services and charges	7,404	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	607,691
Utility operating expenses	-	-	-	-	-	-
Other disbursements	600	-	-	-	-	-
Total disbursements	8,886	-	-	-	-	607,691
Excess (deficiency) of receipts over disbursements	(7,526)	55	5,500	33	-	(442,620)
Cash and investments - ending	\$ 59,091	\$ 17,787	\$ 26,129	\$ 15,567	\$ 37,936	\$ 656,170

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2020

	Highland Acres Tif	Corp B & I - New Debt	Park Bond (Proceeds)	Corporation Capital	Municipal Cumulative Street	Gaming Revenue Fund
Cash and investments - beginning	\$ 480,017	\$ 288,262	\$ 790,920	\$ 5,348	\$ 6,018	\$ 235,731
Receipts:						
Taxes	114,220	1,046,102	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	85,373	11,837	-	-	122,525
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	728,760	63,942	(5,348)	15,056	37,119
Total receipts	114,220	1,860,235	75,779	(5,348)	15,056	159,644
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	838,500	25,257	-	-	136,963
Debt service - principal and interest	-	212,142	-	-	-	-
Capital outlay	-	-	221,833	-	16,580	112,700
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	723,412	-	-	-	-
Total disbursements	-	1,774,054	247,090	-	16,580	249,663
Excess (deficiency) of receipts over disbursements	114,220	86,181	(171,311)	(5,348)	(1,524)	(90,019)
Cash and investments - ending	\$ 594,237	\$ 374,443	\$ 619,609	\$ -	\$ 4,494	\$ 145,712

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2020

	Ict Fund	Payroll	Insurance-Other	Traffic Violations	Aflac Fsa Agency Fund	Gasoline & Oil Fund
Cash and investments - beginning	\$ 314,661	\$ 28	\$ 3,026	\$ 4,272	\$ 16,501	\$ 236
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	212,446	3,495,163	2,636,923	92,775	8,658	83,651
Total receipts	<u>212,446</u>	<u>3,495,163</u>	<u>2,636,923</u>	<u>92,775</u>	<u>8,658</u>	<u>83,651</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	2,145	-	-	-	-	83,651
Other services and charges	196,414	-	2,818,245	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	12,786	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	3,495,152	-	91,250	8,346	-
Total disbursements	<u>211,345</u>	<u>3,495,152</u>	<u>2,818,245</u>	<u>91,250</u>	<u>8,346</u>	<u>83,651</u>
Excess (deficiency) of receipts over disbursements	<u>1,101</u>	<u>11</u>	<u>(181,322)</u>	<u>1,525</u>	<u>312</u>	<u>-</u>
Cash and investments - ending	<u>\$ 315,762</u>	<u>\$ 39</u>	<u>\$ (178,296)</u>	<u>\$ 5,797</u>	<u>\$ 16,813</u>	<u>\$ 236</u>

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2020

	Park License Fees	Retainage	Sewage Cash Reserve	Sewage Operating	Sewage Bond & Interest	Sewage Improvement
Cash and investments - beginning	\$ -	\$ 33,613	\$ 106,821	\$ 702,397	\$ 1,244	\$ 247,344
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	3,451,680	-	652,522
Penalties	-	-	-	4,778	-	-
Other receipts	26,113	-	-	72,675	-	4,570
Total receipts	26,113	-	-	3,529,133	-	657,092
Disbursements:						
Personal services	-	-	-	626,863	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	324,481	-	31,353
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	112,573
Utility operating expenses	-	-	-	193,006	-	-
Other disbursements	26,113	-	105,000	2,387,056	-	-
Total disbursements	26,113	-	105,000	3,531,406	-	143,926
Excess (deficiency) of receipts over disbursements	-	-	(105,000)	(2,273)	-	513,166
Cash and investments - ending	\$ -	\$ 33,613	\$ 1,821	\$ 700,124	\$ 1,244	\$ 760,510

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2020

	Sanitary Operating	San Dis Bd & Int - Exempt Debt	San Dist Extension	Wastewater Utility-Other #4	Sanitary B & I - New Debt	Water Cash Reserve
Cash and investments - beginning	\$ 571,811	\$ 53,861	\$ 255,820	\$ 2,143,613	\$ 512,348	\$ 797,463
Receipts:						
Taxes	4,074	-	-	-	2,108,502	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	16,086	-	-	-	163,284	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	2,409,030	-	-	-	-	-
Penalties	3,062	-	-	-	-	-
Other receipts	10,350	(53,861)	4,273	115,891	1,057,667	-
Total receipts	2,442,602	(53,861)	4,273	115,891	3,329,453	-
Disbursements:						
Personal services	389,625	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	250,887	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	2,349,467	-
Capital outlay	-	-	-	751,564	-	-
Utility operating expenses	1,758,668	-	-	-	-	-
Other disbursements	-	-	-	88,738	953,046	539,211
Total disbursements	2,399,180	-	-	840,302	3,302,513	539,211
Excess (deficiency) of receipts over disbursements	43,422	(53,861)	4,273	(724,411)	26,940	(539,211)
Cash and investments - ending	\$ 615,233	\$ -	\$ 260,093	\$ 1,419,202	\$ 539,288	\$ 258,252

TOWN OF HIGHLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2020

	Water Utility-Operating	Water Works District	Water Utility-Customer Deposit	Water Utility-Improvement	Totals
Cash and investments - beginning	\$ 700,001	\$ 173,647	\$ 112,343	\$ 379,743	\$ 30,976,588
Receipts:					
Taxes	-	114,083	-	-	13,868,533
Licenses and permits	-	-	-	-	926,848
Intergovernmental receipts	-	1,666	-	-	3,177,659
Charges for services	-	-	-	-	1,147,465
Fines and forfeits	-	-	-	-	49,182
Utility fees	2,469,613	-	-	1,026,163	10,009,008
Penalties	41,096	-	-	-	48,936
Other receipts	228,292	(145,687)	92,396	2,704	13,490,543
Total receipts	2,739,001	(29,938)	92,396	1,028,867	42,718,174
Disbursements:					
Personal services	713,928	-	-	-	8,751,886
Supplies	-	-	-	-	456,068
Other services and charges	275,251	-	-	-	9,519,919
Debt service - principal and interest	-	144,192	-	-	3,055,019
Capital outlay	-	-	-	629,367	4,532,756
Utility operating expenses	451,949	-	109,673	170,702	2,683,998
Other disbursements	1,297,745	-	-	-	12,304,098
Total disbursements	2,738,873	144,192	109,673	800,069	41,303,744
Excess (deficiency) of receipts over disbursements	128	(174,130)	(17,277)	228,798	1,414,430
Cash and investments - ending	\$ 700,129	\$ (483)	\$ 95,066	\$ 608,541	\$ 32,391,018

TOWN OF HIGHLAND
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2020

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Wastewater	\$ 165,641	\$ 592,686
Water	437	201,885
Governmental activities	<u>358,989</u>	<u>349,770</u>
Totals	<u>\$ 525,067</u>	<u>\$ 1,144,341</u>

TOWN OF HIGHLAND
SCHEDULE OF LEASES AND DEBT
December 31, 2020

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
First Midwest Bank	To finance the purchase of 2 fire trucks	\$ 52,002	2/1/2012	2/1/2021
Highland Public Building Corporation	To finance Police Station Facility	818,500	7/1/2015	8/1/2034
Lincoln Center Building Corporation	To finance Park Facility	865,000	6/30/2011	2/1/2031
US BANCORP	To finance Dump Truck	<u>92,003</u>	8/1/2017	8/1/2021
Total governmental activities		<u>1,827,505</u>		
Total of annual lease payments		<u>\$ 1,827,505</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Highland Park Bonds of 2012 Series B	\$ 340,000	\$ 177,438
General obligation bonds	Park Bond 2016	1,400,000	226,000
General obligation bonds	Redevelopment District Bonds of 2014	735,000	226,052
Revenue bonds	Economic Development Revenue Bonds Series 2018 (Cardinal Campus Project)	<u>5,520,000</u>	<u>344,475</u>
Total governmental activities		<u>7,995,000</u>	<u>973,965</u>
Wastewater:			
General obligation bonds	Highland Sanitary District BABs Series 2009 B	-	-
General obligation bonds	Highland Sanitary Series 2007 B	627,500	143,452
General obligation bonds	Sanitary Bonds of 2016 Series A	440,000	88,400
General obligation bonds	Sanitary Bonds of 2016 Series B	5,505,000	489,300
General obligation bonds	Sanitary Bonds of 2017 B	2,552,000	526,605
General obligation bonds	Sanitary District Refunding Bond of 2020	<u>4,285,000</u>	<u>677,113</u>
Total Wastewater		<u>13,409,500</u>	<u>1,924,870</u>
Water:			
General obligation bonds	Waterworks Special Taxing District Bonds 2015	<u>585,000</u>	<u>141,492</u>
Totals		<u>\$ 21,989,500</u>	<u>\$ 3,040,327</u>

TOWN OF HIGHLAND
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2020

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	66,765,838
Buildings	28,156,206
Improvements other than buildings	5,488,286
Machinery, equipment, and vehicles	6,318,044
Books and other	<u>212,904</u>
Total governmental activities	<u>110,093,854</u>
Wastewater:	
Land	43,285
Infrastructure	35,479,281
Improvements other than buildings	569,059
Machinery, equipment, and vehicles	1,923,698
Books and other	<u>42,895</u>
Total Wastewater	<u>38,058,218</u>
Water:	
Land	17,661
Infrastructure	18,104,905
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>24,271,055</u>
Total capital assets	<u>\$ 172,423,127</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/>.