

TOWN OF HILLCREST HEIGHTS
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2023



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAcconnect.com

**TOWN OF HILLCREST HEIGHTS
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2023**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	9
STATEMENT OF ACTIVITIES	10
BALANCE SHEET – GENERAL FUND AND RECONCILIATION TO STATEMENT OF NET POSITION	11
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL – GENERAL FUND	12
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES	13
NOTES TO FINANCIAL STATEMENTS	14
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	24
SCHEDULE OF FINDINGS AND RESPONSES	29
MANAGEMENT LETTER	26
INDEPENDENT ACCOUNTANTS' REPORT	28



INDEPENDENT AUDITORS' REPORT

Mayor and Town Commissioners
Town of Hillcrest Heights
Hillcrest Heights, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the Town of Hillcrest Heights (the Town), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Town, as of September 30, 2023, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 6 to the financial statements, the Town restated beginning balances to correct accounting errors that occurred in a prior year. Our opinions are not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

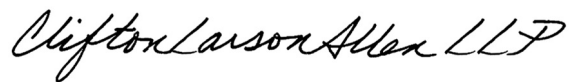
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



CliftonLarsonAllen LLP

Lakeland, Florida
April 30, 2025

**TOWN OF HILLCREST HEIGHTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

As management of the Town of Hillcrest Heights (the Town), we offer readers of the Town's basic financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2023. As with other sections on this financial report, the information contained within this narrative should be considered as only a part of a greater whole and will mainly:

1. Focus on significant financial issues within the Town as of September 30, 2023;
2. Provide an overview of the Town's financial activity through September 30, 2023;
3. Identify any material deviations from the budgets as present and approved and subsequently closed at the end of the 2023 fiscal year.
4. The Town was not audited due to expenditures not being over \$100,000, this is the first year that the Town has been audited.

Financial Highlights

- The assets of the Town of Hillcrest Heights exceeded its liabilities at September 30, 2023, by \$478,144 (net position).
- The Town's total net position increased by \$7,905 during the year ended September 30, 2023.
- Total revenues for the Town increased by \$17,945 primarily due to an increase in charges for services related to garbage fees and earnings on investments.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private sector business:

The *statement of net position* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**TOWN OF HILLCREST HEIGHTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Overview of Financial Statements (Continued)

Government-Wide Financial Statements (Continued)

The government-wide financial statements distinguish functions of the Town that are principally supported by property taxes and intergovernmental revenues.

The government-wide financial statements are listed in the table of contents.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town used fund accounting to ensure and demonstrate compliance with financial-related legal requirements.

Governmental Funds – Governmental funds include are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The governmental fund financial statements are listed in the table of contents.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are listed in the table of contents.

Notes to Basic Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are listed in the table of contents.

**TOWN OF HILLCREST HEIGHTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Government-Wide Financial Analysis

Statement of Net Position

The following table presents a summary of the Town's net position for the fiscal year ended September 30, 2023, compared to September 30, 2022. The summary reflects a positive financial position based on the key measures described below.

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$478,144 as of September 30, 2023. The second largest portion of the Town's net position reflects its restricted funds for road maintenance which increased \$7,231 during the year. The unrestricted net position of the Town increased by \$7,905 as of September 30, 2023. Unrestricted net position may be available for appropriation.

**Town of Hillcrest Heights
Net Position**

	2023	2022	Increase (Decrease)
ASSETS			
Cash and Cash Equivalents	\$ 446,583	\$ 438,480	\$ 8,103
Accounts Receivable	5,869	5,855	14
Capital Assets, Net of Accumulated Depreciation	26,491	26,491	-
Total Assets	<u>478,943</u>	<u>470,826</u>	<u>8,117</u>
LIABILITIES			
Accounts Payable	799	587	212
Total Liabilities	<u>799</u>	<u>587</u>	<u>212</u>
NET POSITION			
Net Investment in Capital Assets	26,491	26,491	-
Unrestricted	<u>451,653</u>	<u>443,748</u>	<u>7,905</u>
Total Net Position	<u>\$ 478,144</u>	<u>\$ 470,239</u>	<u>\$ 7,905</u>

Statement of Activities

Statement of Activities: The Town's total revenues increased by \$17,945 from the prior year. The total cost of all programs and services (total expenses) increase by \$31,247. The increase in total revenues is primarily related to the increase in charges for services for garbage fees. The increase is mainly due to increases in salaries and for costs associated with running the garbage pickup. The following table presents a summary of the changes in net position for the fiscal year ended September 30, 2023, compared to 2022.

**TOWN OF HILLCREST HEIGHTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Government-Wide Financial Analysis (Continued)

Statement of Activities (Continued)

Town of Hillcrest Heights Changes in Net Position			
	2023	2022	Increase (Decrease)
REVENUES			
Program Revenues:			
Charges for Services	\$ 30,852	\$ 17,720	\$ 13,132
General Revenues:			
Taxes	62,164	60,651	1,513
Franchise Fees	18,029	17,943	86
Investment Income	5,212	1,768	3,444
Miscellaneous	67	297	(230)
Total Revenues	116,324	98,379	17,945
EXPENSES			
Operating Expenses	108,419	77,172	31,247
CHANGES IN NET POSITION			
	7,905	21,207	(13,302)
Net Position - Beginning of Year, as Restated	470,239	449,032	21,207
NET POSITION - END OF YEAR	\$ 478,144	\$ 470,239	\$ 7,905

Governmental Fund Budgetary Highlights

Significant variances in amounts budgeted compared to actual expenditures within the General Fund were noted for the following: General government expenditures budget is \$23,686 over budget for fiscal year 2023 due to the increased garbage pickup expenses. Accordingly Charges for Services is \$16,652 over budget for fiscal year 2023 due to the increased garbage fees revenue. Other significant budgetary increases were noted for the following: \$5,704 in sales and use taxes and \$2,029 in franchise fees.

Capital Assets

There were no capital asset purchases during the year. See Note 3 for more information.

Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds: Government funds provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the Town's financing requirements. In particular, unassigned fund balances may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year. The Town's Fund had an unassigned fund balance of \$419,200 and restricted of \$32,453 of September 30, 2023.

**TOWN OF HILLCREST HEIGHTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Economic Factors and Next Year's Budget

The Town does not foresee any economic conditions that may adversely affect the Town's future financial position. The Town's primary recurring revenue source is property taxes for fiscal year 2023, and the millage rate stayed the same as 2023.

Financial Contact

The Town's financial statements are designed to present users (residents, taxpayers, customers, investors, creditors, elected and appointed officials) with a general overview of the Town's finances and to demonstrate the Town's accountability. If you have questions about the report or need additional financial information, contact the Town by writing to Town of Hillcrest Heights, PO Box 129, Babson Park, FL 33827, or by calling 863.638.2732.

Deborah Brewner, Town Clerk
Finance Administrator

**TOWN OF HILLCREST HEIGHTS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

ASSETS

Cash and Cash Equivalents	\$	446,583
Accounts Receivable		5,869
Capital Assets:		
Non Depreciable		26,491
Capital Assets, Net		<u>26,491</u>
 Total Assets		 478,943

LIABILITIES

Accounts Payable		799
Total Liabilities		<u>799</u>

NET POSITION

Investment in Capital Assets		26,491
Unrestricted		<u>451,653</u>
 Total Net Position		 <u>\$ 478,144</u>

**TOWN OF HILLCREST HEIGHTS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023**

	Expenses	Program Revenues Charges for Services	Net Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS			
Primary Government:			
Governmental Activities:			
General Government	\$ 108,419	\$ 30,852	\$ (77,567)
Total Governmental Activities	\$ 108,419	\$ 30,852	\$ (77,567)
GENERAL REVENUES			
Taxes:			
Property Taxes			14,510
Sales and Use Taxes			47,654
Franchise Fees			18,029
Investment Income			5,212
Miscellaneous			67
Total General Revenues			85,472
CHANGE IN NET POSITION			7,905
Net Position - Beginning of Year			478,187
Restatement (See Note 6)			(7,948)
Net Position - Beginning of the year, as restated			470,239
NET POSITION - END OF YEAR			\$ 478,144

**TOWN OF HILLCREST HEIGHTS
BALANCE SHEET – GENERAL FUND AND RECONCILIATION
TO STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

ASSETS

Cash and Cash Equivalents	\$	446,583
Accounts Receivable		<u>5,869</u>
Total Assets	\$	<u><u>452,452</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$	799
Total Liabilities		<u>799</u>

FUND BALANCE

Assigned:		
Road Maintenance		32,451
Unassigned		<u>419,202</u>
Total Fund Balance		<u>451,653</u>
Total Liabilities and Fund Balance	\$	<u><u>452,452</u></u>

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

Total Fund Balance - Governmental Fund	\$	451,653
--	----	---------

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.		<u>26,491</u>
--	--	---------------

Net Position of Governmental Activities	\$	<u><u>478,144</u></u>
---	----	-----------------------

**TOWN OF HILLCREST HEIGHTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET TO ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 14,500	\$ 14,500	\$ 14,510	\$ 10
Sales and Use Taxes	41,950	41,950	47,654	5,704
Franchise Fees	16,000	16,000	18,029	2,029
Charges for Services	14,200	14,200	30,852	16,652
Investments Earnings	2,515	2,515	5,212	2,697
Miscellaneous Revenue	500	500	67	(433)
Total Revenues	<u>89,665</u>	<u>89,665</u>	<u>116,324</u>	<u>26,659</u>
EXPENDITURES				
Current:				
General Government	<u>84,733</u>	<u>84,733</u>	<u>108,419</u>	<u>(23,686)</u>
Total Expenditures	<u>84,733</u>	<u>84,733</u>	<u>108,419</u>	<u>(23,686)</u>
NET CHANGE IN FUND BALANCE	4,932	4,932	7,905	50,345
Fund Balance - Beginning of Year, as previously reported	451,696	451,696	451,696	-
Restatement (See Note 6)	-	-	(7,948)	(7,948)
Fund Balance - Beginning of Year, as restated	<u>451,696</u>	<u>451,696</u>	<u>443,748</u>	<u>(7,948)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 456,628</u></u>	<u><u>\$ 456,628</u></u>	<u><u>\$ 451,653</u></u>	<u><u>\$ 42,397</u></u>

**TOWN OF HILLCREST HEIGHTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023**

Net Change in Fund Balance - Governmental Fund	\$ 7,905
Change in Net Position of Governmental Activities	<u>\$ 7,905</u>

**TOWN OF HILLCREST HEIGHTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Hillcrest Heights (the Town) conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting principles and policies used in the preparation of these financial statements.

Reporting Entity

The Town is a municipal corporation that was established in 1917 by voter adoption of a charter for the Town under Laws of Florida 1917, Chapter 23513. The Town has approximately 830 households with a total population of approximately 275. The Town is located within Polk County, Florida. The Town Commissioners and Mayor have legal authority to enact laws and levy taxes.

The financial reporting entity consists exclusively of the Town as the primary government. There are no entities accountable or dependent upon the Town.

Financial accountability is defined as the appointment of a voting majority to an organization's board which either displays the ability to impose its will on that organization or the possibility that the organization will impose or provide a financial burden or benefit to the primary government. Consequently, on these criteria, there are no component units to include in the Town's basic financial statements

Basis of Presentation

The Town's basic financial statements include both the government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and Town general revenues, from business-type activities, generally financed in a whole or in part with fees charged to external customers. The Town does not have any business-type activities.

The statement of net position reflects on a full accrual basis, all long-term assets and receivables, as well as long-term liabilities. The statement of activities presents the direct cost for each functional activity and applies program revenues to arrive at a net cost for the identified functions. There are no indirect costs for allocation. Program revenues must be directly associated with the government function. Operating grants and contributions include operating-specific and discretionary grants and contributions, while the capital grants and contributions column reflects capital-specific grants and contributions. General revenues of the Town further support the overall combined net costs of governmental functions. Additional sources of revenues include state revenue sharing, investment, and other miscellaneous sources of income.

**TOWN OF HILLCREST HEIGHTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements

In order to ensure observance of limitations and restrictions on the use of the resources available, the financial records and accounts are maintained in accordance with the principles of fund accounting. The financial transactions of the Town are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund balance, revenues and expenditures or expenses.

The fund financial statements are presented to emphasize the major funds of the Town. Fund financial statements are prepared on the modified accrual basis for governmental funds as described below.

The Town presents the following major governmental fund:

General Fund is the government's primary reporting fund for current government operations. It accounts for all financial resources not required by law or administrative action to be accounted for in another fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

The Town is a single program government, devoted to physical environment. It is comprised of a General Fund only and has no other governmental, proprietary, or fiduciary funds. The General Fund is the general operating fund and accounts for all the resources of the Town.

**TOWN OF HILLCREST HEIGHTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Requirements

The Town follows the procedures provided by Florida Statutes in establishing final budget balances reported on the financial statements:

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for governmental fund types in accordance with procedures and time intervals prescribed by law.
- Budgets are prepared for the general fund on a basis consistent with accounting principles generally accepted in the United States of America.
- Final budget amounts reported are based upon the final amended budget.

Governmentwide Net Position

Net position represents the difference between assets and liabilities. The Town may report three categories of net position, as follows: net investment in capital assets, restricted net position, and unrestricted net position.

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings attributable to the acquisition, construction, or improvement of those assets. This component does not include the portion of debt attributable to the unspent proceeds.

Restricted – This component consists of net position that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provision or enabling legislation.

Unrestricted – This component consists of net position that does not meet the definition of “net investment in capital assets” or “restricted”.

Basis of Accounting and Measurement Focus

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the basic financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual Basis of Accounting

The governmental activities in the government-wide financial statements financial statements are presented on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows.

**TOWN OF HILLCREST HEIGHTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Modified Accrual Basis of Accounting

Under the modified accrual basis, revenues are recognized in the accounting period when they become measurable and available (susceptible to accrual).

Measurable means the amount of the transaction can be determined.

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if collected within 60 days of the end of the current fiscal period, with the exception of grant revenues which is within nine months of the end of the current fiscal period.

Measurement Focus

The governmental-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Deposits and Investments

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral for their deposits of public funds.

This pool is provided as additional insurance to the Federal depository insurance and allows for additional assessments against the member institutions providing full insurance for public deposits. The Town had deposits only with qualifying institutions as of September 30, 2023.

**TOWN OF HILLCREST HEIGHTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the government-wide financial statements. Capital assets acquired or constructed in excess of \$5,000 are recorded at historical cost, including all infrastructure assets (roads, bridges, and streets). Donated assets are recorded at acquisition value as of the date received.

Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repair and maintenance are expensed as incurred.

Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives. Buildings are estimated to have a 20-year life.

Net Position/Fund Balances

Net position in the government-wide financial statements are classified as (net) investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, laws, or regulations of other governments or imposed by law through State statute. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

In the governmental fund financial statements, fund balance is comprised of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent. The governmental fund types classify fund balances as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally contractually required to be maintained intact. In addition to the nonspendable fund balance, below is the hierarchy of spendable fund balances, based on spending constraints.
- **Restricted:** Amounts that can be spent only for the specific purposes stipulated by: (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation; e.g. road maintenance
- **Committed:** Amounts that can be used only for the specific purposes determined by a formal action of the Town's Board of Commissioners, the Town's highest level of decision-making authority. Commitment of fund balance may be made from time to time by resolution of the Town Commission. Commitments can be changed or lifted by the Town Commission taking the same formal action that imposed the constraint originally (resolution). The use (appropriation) of committed fund balances is considered in conjunction with the annual budget adoption process or by budget amendment approved by resolution of the Town Commission during the fiscal year.

**TOWN OF HILLCREST HEIGHTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position/Fund Balances (continued)

- Assigned: Assignment of fund balance may be (a) made for a specific purpose that is narrower than the general purposes of the government itself: and/or (b) used to reflect the appropriation of a portion of existing assigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess or expected expenditures over expected revenues. Assigned fund balance shall reflect Town Commission's intended use of resources as set forth in the annual budget (and any amendments thereto). Assigned fund balance may or may not be appropriated for expenditures in the subsequent year depending on timing of the project/reserve for which it was assigned.
- Unassigned: Unassigned fund balance is the residual classification for the General Fund and represents fund balance that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Although not a formal policy, when both restricted and unrestricted resources are available for use, it is the Town's intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, it is the Town's intent to use committed or assigned resources first, and then unassigned resources as they are needed.

Property Taxes

The Polk County Tax Collector bills and collects all property taxes levied within the county. Ad valorem taxes are levied annually on property values as of January 1 and are based upon the final millage rate adopted by the Town's Board of Commissioners. The taxes are generally due November 1 and become delinquent April 1 of the following year at which time they become a lien. Taxes are budgeted and recognized as revenues in the fiscal year during which the taxes are billed and substantially collected.

**TOWN OF HILLCREST HEIGHTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 2 CASH AND INVESTMENTS

The City's policy requires that all cash deposits and any certificates of deposit are first covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Security for Public Deposits Act as defined by Florida Statutes Section 280.02. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and certain short-term investments in depositories.

Cash and Cash Equivalents

Consists of the following:

Demand Deposits	\$ 371,654
Florida Cooperative Liquid Assets Securities System (FLCLASS)	<u>74,929</u>
Total	<u><u>\$ 446,583</u></u>

**TOWN OF HILLCREST HEIGHTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk is the risk that the Town will not be able to recover deposits or the value of investments in the event of the failure of a depository financial institution or a third-party holding the investment securities.

All deposit accounts of the Town are placed in banks that qualify as a public depository, as required by law (Florida Security for Public Deposits Act, Chapter 280, Florida Statutes). Chapter 280 of the Florida Statutes provides that qualified public depositories must maintain eligible collateral having a market value equal to 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held by the depository during the 12 months immediately preceding the date of any computation of the balance. As such, the depository is not required to hold collateral in the Town's name, nor specify which collateral is held for the Town's benefit.

The Public Deposit Security Trust Fund, as created under the laws of the state of Florida, would be required to pay the Town for any deposits not covered by depository insurance or collateral pledged by the depository as previously described. Florida Statutes and the Town's investment policy authorize the Town to use interest bearing time deposits, savings accounts, and money market accounts in qualified public depositories. All deposits are entirely insured.

Florida Cooperative Liquid Assets Securities System

Florida Cooperative Liquid Assets Securities System (FLCLASS) is an independent local government investment pool. The trust is administered by Public Trust Advisors, LLC and an appointed Board of Trustees. FLCLASS is accounted for as a stable NAV investment pool and operates like a money market fund with each share valued at \$1. At September 30, 2023, the WAM in days was 43 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM.

The investment strategy of FLCLASS is to offer a safe, convenient, and liquid investment option to Florida governmental entities.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in FLCLASS carry an "AAAm" rating from Standard and Poor's.

Concentration of Credit Risk

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. No investments in any one issuer exceeded 5% of total investments as of September 30, 2023.

**TOWN OF HILLCREST HEIGHTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 3 CAPITAL ASSETS

A summary of the changes in capital assets are as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 26,491	\$ -	\$ -	\$ 26,491
Total Capital Assets, Not Being Depreciated	26,491	-	-	26,491
Capital Assets, Being Depreciated and Amortized:				
Buildings	86,975	-	-	86,975
Total Capital Assets, Being Depreciated	86,975	-	-	86,975
Less: Accumulated Depreciation and Amortization:				
Buildings	86,795	-	-	86,795
Total Accumulated Depreciation and Amortization	86,975	-	-	86,975
Total Capital Assets, Being Depreciated and Amortized, Net	\$ -	\$ -	\$ -	\$ -

All depreciable assets are fully depreciated for the year ended September 30, 2023.

NOTE 4 RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of assets, errors and omissions, and natural disasters. No claims have been submitted in the last three years.

NOTE 5 CONCENTRATIONS

The Town received a substantial portion of its revenues from taxes. Tax funding may be significantly impacted by budget allocations and, consequently, changes in that funding may affect the Town's operations. For the year ended September 30, 2023, taxes provided 69% of total revenues.

**TOWN OF HILLCREST HEIGHTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 6 RESTATEMENT OF PRIOR PERIOD

During the current year, we identified an error in the financial statements for the year ended September 30, 2022. The error was related to reconciled investment statement balances and underreporting of state revenue due to improper accruing of revenue. As a result, the financial statements for the year ended September 30, 2022, have been restated to correct these errors.

	<u>General Fund</u>
Fund Balance, September 30, 2022 as previously reported	\$ 451,696
Restatement related to:	
Effect of investment balance restatement	(13,803)
Effect of state revenue restatement	5,855
Cumulative effect of restatement	(7,948)
Fund Balance, September 30, 2022 as restated	\$ 443,748

	<u>Governmental Activities</u>
Net Position, September 30, 2022 as previously reported	\$ 478,187
Restatement related to:	
Effect of investment balance restatement	(13,803)
Effect of state revenue restatement	5,855
Cumulative effect of restatement	(7,948)
Net Position, September 30, 2022 as restated	\$ 470,239



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

Mayor and Town Commissioners
Town of Hillcrest Heights
Hillcrest Heights, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Town of Hillcrest Heights (the Town), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated April 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town's internal control. Accordingly, we do not express an opinion on the effectiveness of Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency

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

We consider the deficiency described in the accompanying schedule of findings and responses as item 2023-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2023-002 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2023-003.

Town of Hillcrest Heights Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town’s response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Town’s responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of This Report

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



CliftonLarsonAllen LLP

Lakeland, Florida
April 30, 2025



MANAGEMENT LETTER

Mayor and Town Commissioners
Town of Hillcrest Heights
Hillcrest Heights, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Hillcrest Heights (the Town), Florida, as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 30, 2025.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 30, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been included in the notes to the basic financial statements.

Financial Condition and Management

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

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

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. See the accompanying schedule of findings and responses.

Purpose of this Letter

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



CliftonLarsonAllen LLP

Lakeland, Florida
April 30, 2025



INDEPENDENT ACCOUNTANTS' REPORT

Town of Hillcrest Heights and
the Florida Auditor General
Hillcrest Heights, Florida

We have examined the Town of Hillcrest Heights (the Town)'s compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023. Management of the Town is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance with the specified requirements based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Town's compliance with specified requirements.

In our opinion, the Town complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
April 30, 2025

**TOWN OF HILLCREST HEIGHTS
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2023**

Finding 2023-001: Deficiencies in Internal Controls

Type of Finding: Material weakness in internal control over financial reporting and close

Condition: The Town had several deficiencies in internal control as noted below:

- Insufficient segregation of duties within the finance department.
- Absence of comprehensive capital asset listing, resulting in \$25,166 of assets to be identified through audit procedures.
- Cash and cash equivalents was overstated as of the year ended September 30, 2022 and 2023 by \$13,803, resulting in a restatement to beginning fund balance and net position for the fiscal year.
- The Town recorded revenue on a cash basis, this resulted in audit entries required to be posted to ensure revenue was recorded within the correct fiscal year. The beginning net position was adjusted by \$5,885 and correction to fiscal year 2023 totaled \$5,869 to capture fiscal year 2023 account receivable balances.
- Manual journal entries lacked documentation.

Criteria or specific requirement: The Internal Control-Integrated Framework (COSO Report) requires adequate internal controls over financial reporting to ensure that transactions are properly recorded. Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP in a timely manner.

Context: The above internal control deficiencies noted impacted nearly all financial transactions during the fiscal year.

Effect: An inefficient and ineffective control environment could result in inaccurate account balances that require a restatement and a lack of timely financial information.

Cause: The Town's small size with only two employees, one being in finance, has resulted in challenges with segregation of duties and maintaining proper documentation.

Repeat Finding: No

Recommendation: The Town should evaluate their financial reporting processes and controls to determine whether additional controls over the preparation of annual financial statements can be implemented to provide reasonable assurance that financial statements are prepared in accordance with GAAP in a timely manner. We recommend the town review their current procedures to ensure adequate review of transactions and timeline for reconciliations and year-end close procedures and evaluate the number of staff assigned to various accounting functions to ensure that staffing is appropriate.

Views of responsible officials and planned corrective actions: Management concurs with the finding.

**TOWN OF HILLCREST HEIGHTS
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2023**

Finding 2023-002: Misappropriation of Town Funds

Type of Finding: Significant deficiency in internal control over cash disbursements

Condition: During the audit, it was discovered that a former Town employee had used town funds to pay a personal utility bill of \$313.

Criteria or specific requirement: The Internal Control-Integrated Framework (COSO Report) requires that internal controls be in place to prevent and detect fraud. Effective internal controls should ensure that all transactions are authorized and properly recorded to safeguard assets and ensure the integrity of financial reporting.

Context: During the year, a personal utility totaling \$313 was paid using town funds. The misappropriation indicates a lapse in the Town's internal control environment, particularly in the areas of authorization and monitoring of disbursements.

Effect: An inefficient and ineffective control environment could result in inaccurate account balances that require a restatement, a lack of timely financial information and the misuse of town funds.

Cause: The lack of adequate internal controls and oversight allowed the former Town Clerk to process unauthorized payments without detection.

Repeat Finding: No

Recommendation: The Town should strengthen its internal controls to ensure only reasonable business expenses are paid using town funds. This includes:

- Reviewing current financial reporting process and policies.
- Enhancing monitoring and approval processes to ensure all transactions are legitimate and properly documented.

Management Response: Management acknowledges the finding and is committed to implementing the recommended controls to prevent future occurrences of fraud. The one instance of misappropriation has been paid back to the Town.

**TOWN OF HILLCREST HEIGHTS
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2023**

Finding 2023-003: Budgets

Type of Finding: Budgetary Compliance

Condition: Expenditures exceeded the final appropriated budget for the year ended September 30, 2023.

Criteria or Specific Requirement: Section 166.241, Florida statutes, sets forth the requirements of the Town's budget. Section 166.241, Florida statutes, sets forth the requirements for the Town's budget. According to this statute the governing body of each municipality must adopt a budget each fiscal year by ordinance or resolution. If there are any changes in expenditures or revenues during the fiscal year, the budget must be amended to reflect these changes. The adopted budget must regulate expenditures, ensuring that the total appropriations for expenditures and reserves do not exceed the amount available.

Context: Testing of compliance with budgetary requirements identified that the Town's expenditures exceeded the final budget.

Effect: The Town is not in compliance with the budgetary requirements.

Cause: The budget was not amended for increases in expenditures related to garbage collection costs.

Recommendation: Budgets should be monitored and amended when needed, within the time period allowed by statute, to ensure that the Town does not incur expenditures in excess of budgeted amounts.

Views of Responsible Officials and Planned Corrective Actions: Management concurs with the finding. We will also continue monitoring and amending the budget as needed when incurring expenditures in excess of budgeted amounts as they pertain to this new accounting standard.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.