

Comprehensive Annual Financial Report



**Fiscal Year Ended
September 30, 2015**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TOWN OF JUNO BEACH, FLORIDA

Fiscal Year Ended September 30, 2015

Prepared by the Finance Department

TOWN OF JUNO BEACH, FLORIDA

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TOWN OF JUNO BEACH, FLORIDA

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INTRODUCTORY SECTION



TOWN OF JUNO BEACH

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JUNO BEACH, FL 33408

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May 13, 2016

Mayor Jason S. Haselkorn
Vice-Mayor James R. Lyons
Vice-Mayor Pro Tem Frank P. Fahy
Councilmember Ellen D. Andel
Councilmember William J. Greene

The Honorable Mayor, Town Council and Citizens:

State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with U.S. Generally Accepted Accounting Principles (GAAP) and audited in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards* by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of Juno Beach for the fiscal year ended September 30, 2015.

This report consists of management's representations concerning the finances of the Town of Juno Beach. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Juno Beach has established a comprehensive internal control framework that is designed both to protect the Town assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Juno Beach's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town of Juno Beach's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Juno Beach's financial statements have been audited by Caler, Donten, Levine, Cohen, Porter & Veil, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Juno Beach for the fiscal year ended September 30, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Juno Beach's financial statements for the fiscal year ended September 30, 2015 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The Town is required to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found on page 3 of this report.

Profile of the Government

The Town of Juno Beach was incorporated in 1953 and is located approximately 14 miles north of West Palm Beach, which is the county seat of Palm Beach County. The Town encompasses an area of 2.65 square miles. This special and unique Town is an island with the Intracoastal Waterway to the west, the Atlantic Ocean to the east, Jupiter Inlet to the north and Palm Beach Inlet to the south.

The Town has operated under the Council-Manager form of government since 1985. Policy-making and legislative authority are vested in a five member Town Council. The Council is elected on a non-partisan basis. Councilmembers serve three-year staggered terms. The Councilmembers are elected at large and every year they select a mayor, vice mayor and vice mayor pro-tem. The Town Council is responsible for among other things, passing ordinances, adopting the budget, appointing committees, and hiring both the Town Manager and Town Attorney. The Town Manager is responsible for carrying out the policies and ordinances of the Town Council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments.

The Town of Juno Beach is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the Town Council.

The Town provides general municipal services such as police protection, planning, zoning and building, code enforcement, parks, public works, stormwater utilities and cultural events. Fire Services are provided by Palm Beach County. Utility services, such as water and wastewater are provided by neighboring jurisdictions. Sanitation collection services are currently contracted with Waste Management, Inc. until September 2017. The Town is currently contracted with M.T. Causely, Inc. for building official, plan review and inspection services for our building and permitting department needs through September 30, 2016.

The annual budget serves as the foundation for the Town of Juno Beach's financial planning and control. The Town of Juno Beach's budget process begins in May with staff meetings between the Town Manager and Department Directors to review budget philosophy and develop overall goals and objectives. The Council is required to hold public hearings on the proposed budget and must adopt a final budget as required by the Florida Property Tax Truth in Millage (TRIM) Process. The budgetary process is very valuable in communicating with the Council and citizens of the Town.

Town-Wide Amenities: The Town has many special features that contribute to its wonderful quality of life. The following is a list of some of these special features:

- | | |
|---|--|
| Beach | The Town has 2.4 miles of wonderful beaches along a spectacular blue ocean. Eleven (eight Town owned) dune walkovers provide beach access for the public that include a variety of structures, showers, parking, gazebo and chickee huts among other amenities. |
| Juno Beach Pier | The Town has a County owned and operated 990-foot pier at its northern edge. It is visited and enjoyed by sightseers and fishermen from all over. |
| Loggerhead Marinelife Center/ Turtle Nesting | The Town's coastline is one of the highest density nesting areas for sea turtles in the world. The Loggerhead Marinelife Center (LMC), a not-for-profit organization, monitors the nests and is dedicated to promoting the conservation of Florida's coastal ecosystem through education, research and rehabilitation with a special focus on threatened and endangered sea turtles. The LMC is located in the County owned Loggerhead Park. |

Environmentally Sensitive Lands	Approximately 594 acres of land or 43% of the Town’s total land area has been purchased by the County for preservation. The County has installed trails throughout these parcels, known as the Juno Dunes Natural Area, to serve as a beautiful nature walk and to educate the public about the importance of preservation. Additional improvements include a light vessel boat dock, erosion control and other amenities along the intracoastal waterway.
Pelican Lake Park	The park includes a 12-acre lake adjacent to the Town Center Property with lush landscaping and a ¾ mile – 8 feet wide public concrete and paver brick sidewalk, covered gazebos and fountains is the setting for Town events and leisure strolls.
County and Town Parks	The Town benefits from two beachfront County parks. Loggerhead Park has covered picnic areas and a playground and houses the Loggerhead Marinelife Center. Juno Beach Park, at the northern edge of Town, serves as a large parking lot for beach goers and the County owned and operated pier. South of Pelican Lake the Town owns and operates Kagan Park, which has playground equipment, bocci, basketball, and adult exercise stations.
Cultural Resources	The Town hosts and takes part in many cultural activities. Many local history, art and civic organizations utilize the Town’s resources for their activities. The “Friends of the Arts” organizes art shows for local artists; artwork is displayed year round in the Town Center Council Chambers. “Artfest by the Sea in Juno Beach,” which draws some 30,000 visitors is held along A1A and the Ocean at the north end of Town.
Diverse Housing	The Town has assisted living facility units, mobile home parks, townhouses, condominium units and single-family homes with values in excess of several million dollars.
Seminole Golf Club	A prestigious private oceanfront golf course designed by Donald Ross and opened in 1929.
Town Center	This complex was designed to house all of the Town’s government operational needs and also function as a cultural center to facilitate social activities, host events and serve as a meeting place for homeowners associations, businesses, social groups, etc.

Local Economy

Juno Beach is a seasonal, residential community with a permanent population of 3,240. The 2010 census resulted in a 13% decrease in the Town’s population, supporting the notion that more property owners are choosing Juno Beach as their seasonal residence as opposed to their permanent residence. During the seasonal months (November through April) the population of the Town increases dramatically, nearly tripling. This influx of residents also brings an increase in tourists that seek the wonderful temperate climate that is south Florida. Neighboring cities and towns also experience significant increases in resident and tourist traffic during the winter and early spring months which help support many local businesses.

The recession that began in 2009 resulted in a significant contraction of the local economy, reductions in activity across every business segment was experienced and property values declined close to 30% over the next several years. Over the past couple of years the Town and surrounding communities have

experienced a stabilization and an increase in real estate-related activity while other areas of the economy are following suit with increased activity and signs of recovery. The Town benefits from the County's persuasion and initiative to foster job creation by targeting the industries of biotechnical science and aerospace engineering. The Scripps Research Institute and bioscience industry spin-offs are materializing with the addition of the Max Planck Florida Institute to the life sciences cluster at the expanding Florida Atlantic University campus which is located west of town in the Town of Jupiter. This diversification of the local economy in relation to its long-standing economic base of tourism, retail, healthcare and housing activities will positively influence the Town for the coming years.

The Town had the following projects that were completed during 2014/2015:

- Holiday Inn - handicap ramp to allow pedestrian access to sidewalk, businesses and beach
- NextEra Energy, Inc. – parking lot resurfacing and landscaping project
- Several new single-family homes throughout Town

The Town had the following projects that were in progress or started during 2014/2015:

- Bay Colony - 121 condominium units that were approved for an existing site development along the intracoastal waterway, scheduled for completion in 2016
- The Preserve at Juno Beach (Toll Brother's, Inc.) - 29-lot single family home subdivision, originally approved as the Estates at Juno Beach, the project was approved on March 13, 2013, construction began in August 2013, scheduled for completion in 2016
- Mercury Rising - originally approved for a four (4) unit townhouse project, construction began in October 2013, the project was modified to three (3) units in 2015, completed in 2016
- Ocean Breeze - a 24-unit townhouse project was approved on December 11, 2013, construction began in 2014
- Beach House Center for Recovery - an on-going renovation project of the former Seminole Plaza, was approved in 2015
- Seminole Golf Club - a renovation project of the existing pro-shop and bag area, completed in 2016
- The start of several new single-family homes throughout Town

The status of other developments that are proposed for 2015/2016 include Seminole Golf Club, a renovation project of the existing clubhouse; and several new single-family homes throughout Town.

Juno Beach is fortunate to have three major corporate headquarters located here:

NextEra Energy, Inc., encompassing approximately one million square feet of office space in Juno Beach, is a leading clean energy company with consolidated revenues of approximately \$17.5 billion, more than 46,000 megawatts of generating capacity, and approximately 14,300 employees in 27 states and Canada as of year-end 2015. Nearly two-thousand employees work in the Juno Beach headquarters.

NextEra Energy has been ranked No. 1 in the electric and gas utilities industry in Fortune's 2016 list of "World's Most Admired Companies." NextEra Energy is the parent company of Florida Power & Light Company (FPL) and NextEra Energy Resources, LLC. FPL serves approximately 4.8 million customer accounts in Florida and is one of the largest rate-regulated electric utilities in the United States.

NextEra Energy Resources, LLC, which together with its affiliated entities, is the world's largest generator of renewable energy from the wind and sun. NextEra Energy Resources co-owns and operates seven solar plants in California's Mojave Desert. In all, the business operates 360 megawatts of solar power, which is capable of meeting the energy needs of more than 230,000 homes at peak production.

Through its subsidiaries, NextEra Energy, Inc. generates clean, emissions-free electricity from eight commercial nuclear power units in Florida, New Hampshire, Iowa and Wisconsin.

TBC Retail Group operates nearly 800 tire and automotive service centers under the brands: Tire Kingdom, NTB - National Tire and Battery, and Merchant's Tire and Auto Centers. Approximately 350 employees work at the Juno Beach headquarters.

Founded at a Farmer's Market in 1972, Tire Kingdom rapidly outgrew its West Palm Beach location and now operates throughout Florida as well as NC, SC, LA, GA, VT and NH. National Tire & Battery (NTB) was created in 1997 through the merger of two highly regarded tire retailers. Merchant's Tire & Automotive Centers was founded in downtown Manassas, VA in 1943 and has locations spanning from York, PA to Myrtle Beach, SC, encompassing Baltimore and the Northern VA/Metro D.C. area.

Document Storage Systems (DSS), Inc. was founded in 1991 and is an internationally recognized health information technology (HIT) company headquartered in Juno Beach. DSS specializes in the integration, development and innovation of healthcare technology to promote interoperable information exchange throughout the industry. The company serves both federal and commercial spaces, with a heavy focus on serving the Veterans Health Administration (VHA). DSS acquired Sage Health Management Solutions (Sage HMS) in 2007 and Informatix Laboratories Corporation (ILC) in 2009. Sage HMS is the developer of RadWise, a radiology decision support system. ILC specializes in billing and accounts receivables software for Native American healthcare facilities.

Future Economic Outlook

The United States economy is experiencing slow domestic growth and unemployment has improved. The consensus of many economists is that the U.S. will continue experiencing slow to moderate growth with low inflation due to a strong dollar and lower energy costs. Economic risks continue with some more important than others, examples are: the global slowdown affecting the U.S., the burden of our very high national debt, political unrest and domestic political stalemates. Florida's employment has improved, sales tax receipts have improved, tourism is back and the Florida housing sector is stronger.

The Town of Juno Beach's property values have increased four years in a row, including the 2016 fiscal year. The Town's residential values and sales are strong. The Town is experiencing healthy new residential construction and building permit activity is doing very well. The Town's commercial properties are stable and experiencing some growth. The Town's future growth could be jeopardized if the projected rise in interest rates materializes as higher rates could affect the housing sector and risk an overall slowdown to our local economy. On the positive side, the Town's ocean views are beautiful with healthy, sandy beaches. Our weather is very pleasant and our traffic and density are not too demanding.

Major Initiatives

During the past year the Town has partnered with the Juno Beach Civic Association to foster and create two videos about the Town of Juno Beach. The Juno Beach Civic Association, established in 1972, is a non-profit, non-partisan, 100% volunteer civic association created and dedicated to "Enhancing the Quality of Life in Juno Beach". The video project is about Juno Beach. One film will be a three-minute version that will appear on the Civic Association's website, as well as, the Town's website and is devoted to the spirit of Juno Beach. It features an overview of the Town's past, attractions, community events and lifestyle. The longer video will delve into the Town's history and include many interviews with leading residents and others who have influenced the Town's development. While the project was led by the Civic Association, it received invaluable help from the Town staff, local businesses and many current and former Mayors, Councilmembers and contributors to the Town. The very production of these videos has been an example of community spirit and the finished products will be available to the public to help promote a greater understanding of what makes "Juno Beach a special place".

On July 1, 2015, the Town was awarded a \$50,000 grant through the Florida Recreation Development Assistance Program (FRDAP). This grant is funded through the State of Florida and appropriated by the Department of Environmental Protection. This "Pelican Lake Park" grant allows the Town to renovate the gazebo on the south side of Pelican Lake. Improvements to the structure will include the replacement of

all handrails, seating and boardwalk for the gazebo. The Town is optimistic about two other Florida Recreation Development Assistance Program grants in the amount of \$50,000 each for improvements to Kagan Park and beach access dune walkover improvements. The grant applications were submitted in 2015 and there is a high probability that the Town will be the recipient of these funds. Notification will be formally announced in June 2016 after the Governor signs the budget. The Town has been fortunate to be a recipient of a number of FRDAP grants in the past. These grants not only enhance the beauty of our Town, they provide functional elements that increase the quality of life for residents and visitors alike.

Mitigation and Emergency Preparedness have always been a high priority in Juno Beach as demonstrated by the Juno Beach Floodplain Mitigation Plan that was developed and written in 2013 utilizing a federally funded grant. This plan, which was approved by the Federal Emergency Management Agency (FEMA) in February 2015, will serve to minimize loss when a flood event occurs. This was done by identifying the hazards and then identifying ways to mitigate or eliminate the hazard. It has been anticipated for a number of years that FEMA would be issuing new flood zone maps. The new maps have been issued, although not yet formally approved, and will be changing the flood zone for almost 1,000 property owners in Juno Beach. The new flood zone will now make flood insurance a requirement for these properties and will most likely increase their insurance premiums. The Town has been an active participant in the Community Rating System (CRS) since 1993 and currently has a class 5 rating which gives property owners a 25% discount on their flood insurance premiums. Because of the development and implementation of the Juno Beach Floodplain Mitigation Plan we will receive additional credits towards the CRS program which allows us to maintain our class 5 rating and 25% discount.

In April 2015, the Town was the recipient of a \$40,493 grant from the Florida Department of Highway Safety and Motor Vehicles (DHSMV). The Police department applied for the grant under the condition of purchasing Portable Computing Devices (PCDs) and mounting hardware to be used for electronically reporting Commercial Motor Vehicle (CMV) crashes. The grant further stipulated that police officers and agency personnel were to complete a training program approved by the DHSMV and increase CMV crash reporting by 5% within one (1) year of the Agreement date.

The Town completed negotiations and entered into a new collective bargaining agreement with the police union. The three year agreement is through August 1, 2018.

Relevant Financial Policies

The establishment of financial policies is an important part of prudent financial management. The Town maintains various financial policies within which it operates to reduce ambiguity and guide the creation, maintenance and use of resources for financial consistency and stability.

Long-term Financial Planning: The Town's unassigned fund balance policy is to maintain a minimum balance of 50% of the operating budget. This is mainly due to the small size of our budget, the high percentage of our budgeted revenues derived from property taxes, (about 50% excluding grants and non-cash revenues) and the location of our Town along the Atlantic Ocean. Reserve funds are intended to smooth out economic downturns, deal with unexpected situations, and purchase major capital items without incurring debt. The most important reason for adequate reserves for the Town of Juno Beach is the potential problems that could arise from the advent of a catastrophe such as a major hurricane. A major storm could substantially reduce the Town's tax base for several years and during this "rebuilding period" after a storm, demands for service will be substantially higher.

Reserves are also supplementing the budget with investment income. These investments are consistently out-performing the three-month U.S. Treasury Bill rate.

Keeping the goal of maintaining a minimum unassigned fund balance of 50% of the Town's operating budget can be accomplished by keeping with the current philosophy of managing the Town's fiscal activities as efficiently as possible and funding the reserve with any unusual, non-repeating revenue source, such as the sale of Town property.

Cash management policies and practices: Cash temporarily idle during the year is invested in various instruments including certificates of deposit, money market accounts, Florida Prime fund and the Florida Municipal Investment Trust, which is administered by the Florida League of Cities. The average yield on all investments was 0.76 percent for the 12-month period ending September 30, 2015. The Town of Juno Beach's investment policy places first priority upon security of the investment and secondary priority on investment yield.

Debt administration: The Town currently has no outstanding long-term debt. The Town became debt-free as of April 1, 2013. The Town has no legal debt margin.

Risk management: Management and staff are committed to a comprehensive risk management program. Risk management topics, issues and incidents are consistently discussed at monthly staff meetings and quarterly safety committee meetings. The Town purchases insurance for property, general liability, automobile, and workers compensation coverage through the Florida League of Cities insurance programs. The Town's employee health insurance coverage as of January 1, 2016 is through Cigna Health and Life Insurance Company. Insurance coverages are evaluated annually by management and adjusted as necessary to provide the most cost effective protection for the Town.

Awards and Acknowledgements

Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Juno Beach for its comprehensive annual financial report for the fiscal year ended September 30, 2014. The Certificate of Achievement is a prestigious national award recognizing achievement of the highest standards for preparation of state and local government financial reports.

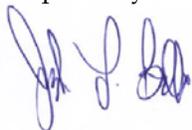
In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a comprehensive annual financial report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Town of Juno Beach has received a Certificate of Achievement for the last thirty-four consecutive fiscal years. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

Acknowledgements: The preparation of this report on a timely basis could not have been accomplished without the cooperation and dedicated service of the entire staff of the Town and the efficient assistance of the independent auditors.

We wish to express our sincere appreciation to the members of the Town Council for their interest and support in conducting the financial operations of the Town in a sound and progressive manner, thus assuring the citizens a high level of financial stability.

Respectfully submitted,



Joseph F. Lo Bello
Town Manager



Matthew A. Pazanski
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Juno Beach
Florida**

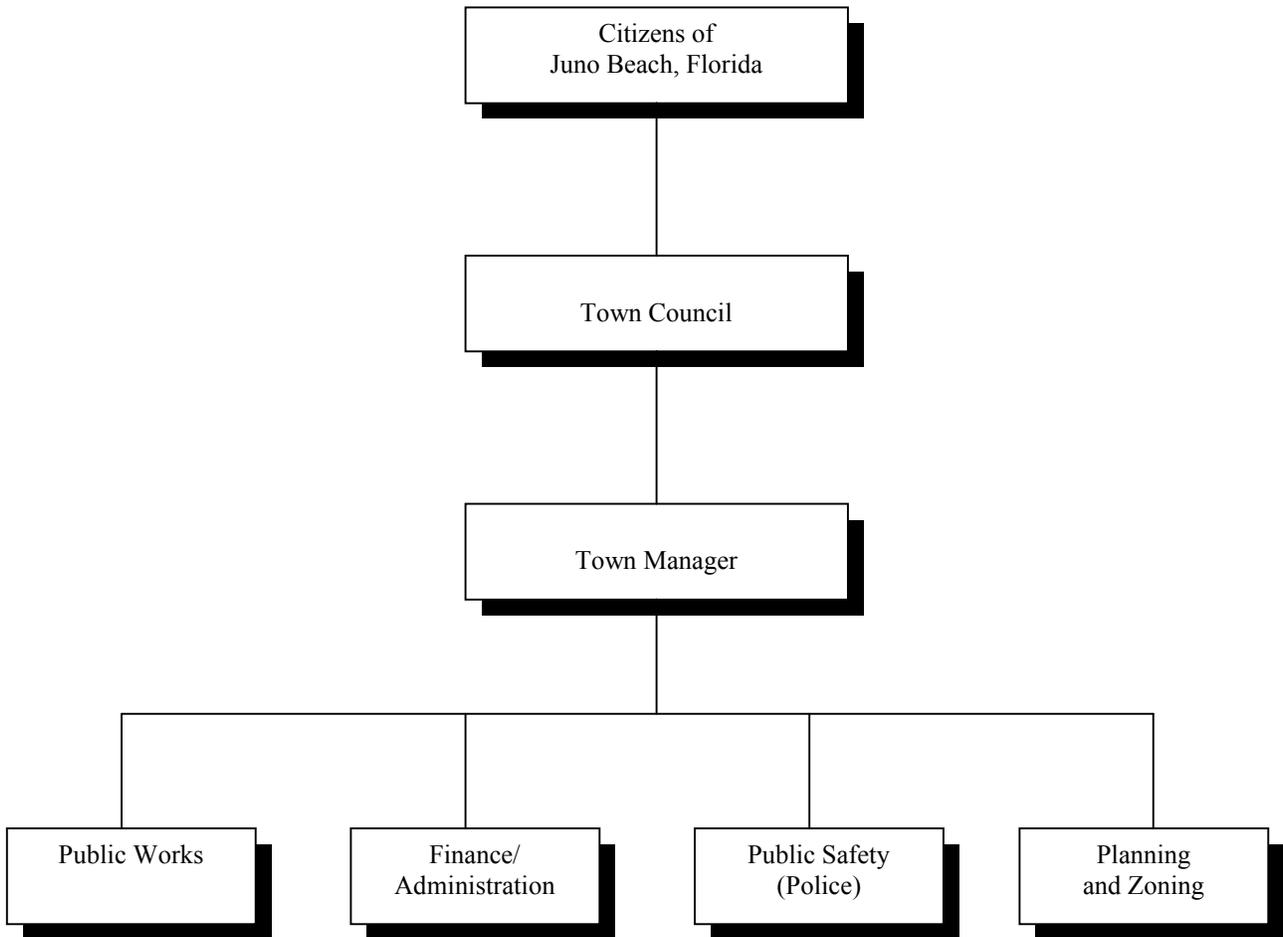
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

TOWN OF JUNO BEACH, FLORIDA

ORGANIZATIONAL CHART





LIST OF PRINCIPAL OFFICIALS
COUNCIL - MANAGER FORM OF GOVERNMENT

TOWN COUNCIL

Jason S. Haselkorn..... Mayor
James R. Lyons..... Vice Mayor
Frank P. Fahy..... Vice-Mayor Pro Tem
Ellen D. Andel..... Councilmember
William J. Greene..... Councilmember

ADMINISTRATIVE STAFF

Joseph F. Lo Bello..... Town Manager
Brian J. Smith..... Police Chief
Matthew A. Pazanski..... Finance Director
Anthony R. Meriano..... Public Works Director
Vanessa Mutchnik..... Town Clerk
Ruben Cruz, Jr..... Director of Planning and Zoning
Andrea L. Dobbins..... Project Coordinator/Risk Manager

PROFESSIONAL ADVISORS

Leonard G. Rubin, P.A..... Attorney
Robert Rennebaum, P.E.
Simmons & White, Inc. Consulting Engineer
Mark D. Veil, CPA
Caler, Donten, Levine,
Cohen, Porter & Veil, P.A..... Independent Auditors

FINANCIAL SECTION



CALER, DONTEN, LEVINE,
COHEN, PORTER & VEIL, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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THOMAS A. PENCE, JR., CPA
SCOTT L. PORTER, CPA
MARK D. VEIL, CPA

Independent Auditor's Report

To the Honorable Mayor and
Town Council
Town of Juno Beach
Juno Beach, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Town of Juno Beach, Florida, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of the Town of Juno Beach, Florida, as of September 30, 2015, and the respective changes

in financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

Change in Accounting Principles

As discussed in Note A to the financial statements, the Town adopted the recognition and disclosure requirements of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, during the year ended September 30, 2015. The net position of the governmental activities at October 1, 2014, has been restated. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management’s discussion and analysis on pages 3 through 8; the budgetary comparison information on pages 38 through 40; and the pension information on pages 41 through 46, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town’s basic financial statements. The introductory section and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2016, on our consideration of the internal control over financial reporting of the Town of Juno Beach, Florida, 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 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 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.

*Calvin Dauter, Levine,
Cohen, Porter & Veil, P.A.*

West Palm Beach, Florida
May 11, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Juno Beach, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Juno Beach for the fiscal year ended September 30, 2015. We encourage readers to consider the information presented in the MD&A in conjunction with additional information that we have furnished in our letter of transmittal.

The information contained within this Management's Discussion and Analysis (MD&A) is only one component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the footnotes and the other Required Supplementary Information that is provided in addition to this MD&A.

Financial Highlights

- The assets of the Town of Juno Beach exceeded its liabilities at September 30, 2015, by \$8,576,234. Of this amount, unrestricted net position of \$3,027,994 may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net position increased by \$394,404 (page 10). This entire amount was associated with governmental activities.
- As of the close of the current fiscal year, the Town of Juno Beach's general fund reported ending fund balance of \$5,269,433 an increase of \$475,091. Of this amount \$4,260,439 is unassigned and available for spending and \$675,000 has been assigned for the subsequent year's budget. The remainder is either non-spendable or restricted.
- At the end of the current fiscal year, the unassigned and assigned fund balance (page 11) for the general fund represented 93.2% of total general fund expenditures (page 13) or 340 days of available funding.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Juno Beach's basic financial statements. The Town of Juno Beach's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other 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 of Juno Beach's finances, in a manner similar to a private-sector business.

The *statement of net position* (page 9) 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* (page 10) presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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.

Both of the government-wide financial statements focus on functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*), since the Town does not have any business-type activities. The governmental activities of the Town of Juno Beach include administrative, planning and zoning, public safety, and public works.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Juno Beach can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two. The Town's only governmental fund is the general fund. The governmental fund financial statements are presented on pages 11 through 14.

The Town of Juno Beach adopts an annual budget for its general fund. A budgetary comparison schedule has been provided as required supplementary information for the general fund to demonstrate compliance with the fiscal year 2015 budget.

Fiduciary funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Town's fiduciary funds consisted of the general employee's retirement plan and trust fund. The fiduciary fund financial statements are presented on pages 15 and 16.

Notes to the financial statements. The notes begin on page 17 and provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain other required supplementary information. This includes the budgetary comparison for the general fund referred to earlier in connection with governmental funds and various schedules of pension information which is presented immediately after the basic financial statements on pages 38 through 46.

Government-Wide Financial Analysis

Net position. On the following page is a summary of the Statement of Net Position at September 30, 2015 and 2014.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At September 30, 2015, the Town's assets exceeded liabilities by \$8,576,234. The largest portion of the Town's net position (61.4 percent) reflects its investment in capital assets. Capital assets are used to provide services to citizens and they are not available for future spending.

A portion of the net position, \$286,175 or 3.3 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$3,027,994 or 35.3 percent, may be used to meet the government's ongoing obligations to citizens and creditors.

Town of Juno Beach
Statements of Net Position - Governmental Activities
September 30, 2015 and 2014

	2015	2014
ASSETS		
Current and other assets	\$ 5,507,905	\$ 5,147,767
Capital assets, net	<u>5,262,065</u>	<u>5,471,388</u>
Total Assets	10,769,970	10,619,155
DEFERRED OUTFLOWS OF RESOURCES		
	846,860	-
LIABILITIES		
Long-term liabilities outstanding	2,015,760	261,427
Other liabilities	<u>238,472</u>	<u>353,425</u>
Total Liabilities	2,254,232	614,852
DEFERRED INFLOWS OF RESOURCES		
	786,364	-
NET POSITION		
Investment in capital assets	5,262,065	5,471,388
Restricted	286,175	264,531
Unrestricted	<u>3,027,994</u>	<u>4,268,384</u>
Total Net Position	<u>\$ 8,576,234</u>	<u>\$ 10,004,303</u>

Change in Net Position: The table below is a comparative summary of the changes in net position for the years ended September 30, 2015, and 2014:

Town of Juno Beach
Statements of Activities - Governmental Activities
Years Ended September 30, 2015 and 2014

	2015	2014
REVENUES		
Program revenues:		
Charges for services	\$ 1,503,015	\$ 1,541,632
Operating grants and contributions	57,386	66,775
Capital grants and contributions	147,628	321,150
General revenues:		
Property taxes	2,582,353	2,579,423
Other taxes	1,007,804	1,013,580
State shared revenue	394,844	378,825
Investment earnings	<u>56,422</u>	<u>41,494</u>
Total Revenues	5,749,452	5,942,879

EXPENSES

Administrative	1,117,904	1,286,067
Planning and zoning	1,048,073	975,094
Public safety	2,207,642	2,386,448
Public works	981,429	964,393
Total Expenses	<u>5,355,048</u>	<u>5,612,002</u>
Change in net position	394,404	330,877
Net position at beginning of year, as originally reported	10,004,303	9,673,426
Restatement for implementation of GASB Statements	<u>(1,822,473)</u>	<u>-</u>
Net position at beginning of year, as restated	<u>8,181,830</u>	<u>9,673,426</u>
Net position at end of year	<u>\$ 8,576,234</u>	<u>\$ 10,004,303</u>

The net position at October 1, 2014 was restated as a result of implementing the new pension reporting requirements outlined in GASB Statement Nos. 68 and 71 resulting in a restated net position at October 1, 2014 that is lower than that of the previous year. This is more fully discussed in NOTE E – PENSION PLANS on pages 29 through 34.

The Town’s net position above increased by \$394,404 or 4.8%. Total revenues were comparable to those of the prior year with notable changes to:

- a reduction of Capital grants and contributions mainly due to a one-time contribution in 2014 related to development activity and other related revenues
- an off-set of revenue increases to Building permit fees of approximately \$186,700 and decreases to the Safe Street Program of approximately \$193,634

Expenses decreased approximately \$257,000 or 4.6%. The decrease in expenses is primarily due to:

- a decrease in administrative expenses of approximately \$168,000 due to the prior year including a settlement of a class action lawsuit related to the Safe Streets Program
- a decrease in public safety expenses of approximately \$179,000 due to the current suspension of the Safe Streets Program.

Financial Analysis of the Government’s Funds

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

Governmental Funds. The purpose of the Town’s governmental fund financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

At September 30, 2015, the Town’s General Fund reported ending fund balance of \$5,269,433, which was an increase of \$475,091 in comparison to the prior year. Of this amount, \$4,260,439 (81%) is unassigned fund balance, which is available for spending at the government’s discretion. In addition, the Town Council has assigned \$675,000 to be used for subsequent year’s expenditures. The remainder of fund balance is non-spendable (\$47,819) or restricted for specific purposes (\$286,175). As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund

balance to total fund expenditures. Unassigned fund balance represents 80.5 percent of total general fund expenditures, while total fund balance represents 99.5 percent of that same amount.

The fund balance of the Town's general fund increased by \$475,091 during the current fiscal year. The key factors in this increase were building permit fees and development related activities.

General Fund Budgetary Highlights

The annual General Fund budget is adopted after two public hearings and approval of the Town Council. Any amendments that would exceed the original budget at the fund level or would require funds to be transferred from contingency would require a formal budget amendment requiring an ordinance, two public hearings and approval by the Town Council. The original general fund appropriation was not changed during 2015. However, funds were transferred from an appropriated general fund contingency account to department/program accounts in the budget to provide for unanticipated expenditures in accordance with Town Council authorizations.

In comparing budget to actual revenues and expenditures, the following variances are considered noteworthy and are presented on pages 38 and 39:

- The Town's actual revenues of \$5,769,072 were \$296,836 over budgeted revenues of \$5,472,236. Building permit fees were over budget approximately \$415,000, Miscellaneous was over budget by \$93,000 and fines were under budget by approximately \$293,000.
- Administrative expenditures were \$131,238 under budget which was mainly due to unused contingency funds.
- Public safety expenditures were \$495,197 under budget which was mainly due to personnel and benefits and the safe streets automated traffic enforcement program suspension.
- Public works expenditures were \$126,858 under budget which was mainly due to capital outlay being under budget by approximately \$94,000 from delayed grant projects.

Capital Asset and Debt

Capital assets. The Town's investment in capital assets for its governmental activities at September 30, 2015, amounts to \$5,262,065 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment, vehicles and infrastructure.

Capital items and projects completed during the current fiscal year totaled \$292,171 and included the following:

- Computers and Equipment - Various computer network hardware, software and workstation replacements and/or upgrades and equipment purchases were completed in various departments. The Police department purchased seven (7) Toughbook laptops through a grant opportunity for officer use in the field, three tablets for administrative staff were also received through the grant; they also purchased three (3) new high-definition in-car video systems to replace some aging units; and a replacement radar. A new video system was installed in the Council Chambers.
- Vehicles - The Police department purchased one administrative and one patrol vehicle and equipment to replace existing units. The Planning & Zoning department purchased a replacement van, and the Public Works department replaced one vehicle.

- Equipment – The Police department purchased a road side message board to help alert motorists and pedestrians to traffic changes during events and other information; they also replaced an all-terrain vehicle (ATV), the ATV was funded through a donation.
- Public Amenities – Improvements to various roads, parks, grounds, landscapes, irrigation, and beach accesses were completed. Lighting at the Mercury Road dune walkover was completed, improvements were 100% funded by grant monies through the Florida Recreation Development Assistance Program (FRDAP).
- Buildings – The Town Center exterior stairs and catwalk were renovated; air conditioner replacements were completed.
- Stormwater Drainage System Improvements – The Town completed various stormwater drainage improvements at Celestial Way and Universe Boulevard. The improvements included renovations of aging systems and an improved swale.

Additional information on the Town’s capital assets can be found in Note C of this report.

Debt. The Town has no debt outstanding at September 30, 2015.

Economic Factors and Next Year’s Budgets and Rates

For fiscal year 2016, the Town Council adopted a General Fund budget of \$6,133,513 representing a 0.41% increase from the original budget for fiscal year 2015.

The 2016 fiscal year budget improvement items include: three grants - 1) a gazebo renovation on Pelican Lake, 2) Kagan Park playground, and 3) beach access improvements; Town Center improvements to the generator; one replacement patrol vehicle and one administrative vehicle for the Police department, various equipment and an automatic license plate reader; a replacement vehicle for the Public Works department, and other miscellaneous equipment and improvements. Other items include various computer network hardware and software needs.

The Town has a relatively stable property tax base. Property taxes represent approximately 43% of the 2016 budgeted operating revenues of the Town. The balance of revenues comes from sales and use taxes, intergovernmental revenues, utility taxes, charges for Town services, licenses, permits and fines, etc.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town’s finances and to demonstrate the Town’s accountability. Questions concerning information provided in this report or requests for additional financial information should be directed to Finance Department, Town of Juno Beach, 340 Ocean Drive, Juno Beach, FL 33408, (561) 626-1122.

BASIC FINANCIAL STATEMENTS

TOWN OF JUNO BEACH, FLORIDA

STATEMENT OF NET POSITION

September 30, 2015

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 4,212,893
Investments	1,114,154
Accounts receivable	60,528
Due from other governments	72,511
Prepaid expenses	47,819
Capital assets	
Capital assets not being depreciated	1,080,260
Capital assets being depreciated, net of accumulated depreciation	<u>4,181,805</u>
Total Assets	10,769,970
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	846,860
LIABILITIES	
Accounts payable	89,152
Accrued liabilities	99,787
Unearned revenue	49,533
Noncurrent liabilities	
Due within one year	16,824
Due in more than one year	237,778
Net pension liability	1,751,755
Other postemployment benefits payable	<u>9,403</u>
Total Liabilities	<u>2,254,232</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions	786,364
NET POSITION	
Investment in capital assets	5,262,065
Restricted for:	
Capital projects	218,234
Law enforcement	67,941
Unrestricted	<u>3,027,994</u>
Total Net Position	<u><u>\$ 8,576,234</u></u>

See notes to financial statements.

TOWN OF JUNO BEACH, FLORIDA

STATEMENT OF ACTIVITIES

Year Ended September 30, 2015

Functions/Programs	Expenses	Program Revenues			Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Administrative	\$ 1,117,904	\$ 32,512	\$ 20,845	\$ 38,457	\$ (1,026,090)
Planning and zoning	1,048,073	1,329,507	-	-	281,434
Public safety	2,207,642	77,907	18,042	71,270	(2,040,423)
Public works	981,429	63,089	18,499	37,901	(861,940)
Total Governmental Activities	\$ 5,355,048	\$ 1,503,015	\$ 57,386	\$ 147,628	(3,647,019)
General revenues					
Taxes					
Property taxes					
					2,582,353
Franchise fees					
					70,185
Utility service taxes					
					880,206
Local business taxes					
					57,413
State shared revenue, unrestricted					
					394,844
Investment earnings					
					56,422
			Total General Revenues		4,041,423
			Change in Net Position		394,404
			Net position at October 1, 2014, as originally reported		10,004,303
			Restatement for implementation of GASB Statements		(1,822,473)
			Net position at October 1, 2014, as restated		<u>8,181,830</u>
			Net Position at September 30, 2015		<u>\$ 8,576,234</u>

See notes to financial statements.

TOWN OF JUNO BEACH, FLORIDA
BALANCE SHEET - GENERAL FUND
September 30, 2015

ASSETS

Cash and cash equivalents	\$	4,212,893
Investments		1,114,154
Accounts receivable		60,528
Due from other governments		72,511
Prepaid items		<u>47,819</u>
Total Assets	\$	<u><u>5,507,905</u></u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	89,152
Accrued liabilities		<u>99,787</u>
Total Liabilities		188,939

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue		49,533
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FUND BALANCE

Nonspendable:		
Prepaid items		47,819
Restricted for:		
Capital projects		218,234
Law enforcement		67,941
Assigned for:		
Subsequent year's budget		675,000
Unassigned		<u>4,260,439</u>
Total Fund Balance		<u><u>5,269,433</u></u>

Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$	<u><u>5,507,905</u></u>
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See notes to financial statements.

TOWN OF JUNO BEACH, FLORIDA

RECONCILIATION OF TOTAL GENERAL FUND FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES

September 30, 2015

Total General Fund Fund Balance	\$ 5,269,433
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Governmental capital assets	11,281,834
Less accumulated depreciation	(6,019,769)
Deferred outflows/inflows of resources related to pensions for defined benefit pension plans are reported in the statement of net position but are not reported in the governmental funds.	
Deferred outflows of resources related to pensions	846,860
Deferred inflows of resources related to pensions	(786,364)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Compensated absences	(254,602)
Net pension liability	(1,751,755)
Other postemployment benefits payable	(9,403)
	<hr/>
Net Position of Governmental Activities	\$ 8,576,234
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See notes to financial statements.

TOWN OF JUNO BEACH, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCE OF THE GENERAL FUND TO THE STATEMENT OF ACTIVITIES

Year Ended September 30, 2015

Net change in fund balance - General Fund \$ 475,091

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

The General Fund reports capital outlays as expenditures, however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital assets	292,171
Less current year depreciation	(486,336)

In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the General Fund the proceeds from the sale increases financial resources. The change in net assets differs from the change in fund balance by the net book value of the assets retired.

(15,158)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the General Fund.

Compensated absences	(12,538)
Pension expense	131,214
Other postemployment benefits	9,960

Change in net position of governmental activities \$ 394,404

TOWN OF JUNO BEACH, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND

September 30, 2015

	<u>Pension Trust</u>
ASSETS	
Investments in mutual funds	\$ 447,565
LIABILITIES	
	<u>-</u>
NET POSITION	
Net position restricted for pension benefits	<u>\$ 447,565</u>

See notes to financial statements.

TOWN OF JUNO BEACH, FLORIDA

STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION - FIDUCIARY FUND

Year Ended September 30, 2015

	<u>Pension Trust</u>
ADDITIONS	
Contributions	
Town	\$ 43,995
Investment loss	
Net depreciation in fair value of plan assets	(14,467)
Dividend income	14,238
	<u>(229)</u>
Net investment loss	
Total additions	43,766
DEDUCTIONS	
General and administrative	2,203
Distributions	2,016
	<u>4,219</u>
Total deductions	
Net increase	39,547
Net position restricted for pension benefits at October 1, 2014	<u>408,018</u>
Net position restricted for pension benefits at September 30, 2015	<u>\$ 447,565</u>

See notes to financial statements.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity: The Town of Juno Beach, Florida (the "Town"), is a municipal corporation established on June 4, 1953. Pursuant to authority granted by the Florida Constitution and Florida Statutes Chapter 165, the Town enacted its current Charter by Town Ordinance No. 280, adopted on March 6, 1985, and approved by referendum on March 12, 1985. The Town is governed by a five member, elected Town Council and provides a range of municipal services including police protection, planning and zoning, roads and streets, recreation and park facilities, public improvements and general administration functions.

As defined by U.S. generally accepted accounting principles (GAAP), the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon the application of these criteria, the following discusses Seacoast Utility Authority (a jointly governed organization) as a potential component unit in defining the Town's financial reporting entity.

Seacoast Utility Authority: The Seacoast Utility Authority (the "Authority") was formed in August 1988. The Town signed an interlocal agreement with four other local governments to create the Authority to provide water and sewer services to its residents. The Authority is governed by a five-member board with one representative from each participating local government. The Town is not financially accountable for the Authority and does not hold title to any of the Authority's assets, nor does it have any right to the Authority's surpluses or any ongoing financial interest and/or responsibility for the Authority. Accordingly, the Authority was not a component unit required to be included in the Town's financial statements.

Government-wide Financial Statements: The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities and report information on all non-fiduciary activities of the Town. These statements include the general fund as the sole governmental fund to be accounted for as *governmental activities*. Such activities are normally supported by taxes and intergovernmental revenue. The Town does not have any *business-type activities*.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or identifiable activity. *Program revenues* include three categories of transactions: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; (2) operating grants and contributions; and, (3) capital grants and contributions. Taxes and other items not meeting the definition of program revenues are reported as *general revenues*.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements: The underlying accounting system of the Town is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue and expenditures or expenses, as appropriate.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds used by the Town are classified into two categories: *governmental* and *fiduciary*. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Governmental Fund Financial Statements – Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenue, Expenditures and Changes in Fund Balance for the general fund, the Town’s only governmental fund. An accompanying schedule is presented to reconcile and explain the differences in fund balance and changes in fund balance as presented in these statements, to the net assets and changes in net assets presented in the government-wide financial statements. The Town’s major governmental fund is as follows:

General Fund – This fund is used to account for all financial transactions not accounted for in another fund. Revenue is derived primarily from property taxes, state distributions, and other intergovernmental revenue.

Fiduciary Fund Financial Statements – Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. Since by definition these assets are being held for the benefit of third parties (pension participants) and cannot be used to finance activities or obligations of the government, these funds are not included in the government-wide financial statements. The Town’s only fiduciary fund is as follows:

General Employees Retirement Plan and Trust Fund – This fund was established to receive and invest Town and general employees’ contributions in a defined contribution pension plan and to disburse them to employees in accordance with the Pension Plan Resolution.

Property Tax Calendar: Ad valorem property taxes are assessed on property valuations as of January 1st and levied the following October 1st. Taxes are due by March 31st and become delinquent on April 1st, when liens are filed against the subject property. Ad valorem taxes are assessed by the Palm Beach County Property Appraiser and collected by the Palm Beach County Tax Collector, which remits the taxes to the Town.

Property Tax Reform: During 2007, the Florida Legislature passed property tax reform legislation limiting the property tax levies of local governments in the State of Florida and increasing the homestead exemption. Local governments that adopt a property tax levy in excess of the limit under State law will lose their Half-Cent Sales Tax distribution from the State for the succeeding twelve months. For the fiscal year ending September 30, 2015, the maximum tax levy allowed by a majority vote of the governing body is generally based on a percentage adjustment applied to the prior year (2013/2014) property tax revenue.

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

The percentage adjustment is calculated based on the compound annual growth rate in the per capita property taxes levied for the five preceding fiscal years.

The State law allows local governments to adopt a higher millage rate based on the following approval of the governing body: 1) a majority vote to adopt a rate equal to the adjusted current year "rolled-back" millage rate plus an adjustment for growth in per capita Florida personal income; 2) a two-thirds vote to adopt a rate equal to the adjusted current year "rolled-back" millage rate plus 10%; or 3) any millage rate approved by unanimous vote or referendum. For the fiscal year ended September 30, 2015, the Town adopted a 2.5760 millage rate (\$2.5760 per \$1,000 of assessed value). This millage rate resulted in a budgeted tax levy of \$2,638,578 for 2015, representing an increase of 0.17% from the budgeted property tax levy in 2014. Future property tax growth is limited to the annual growth rate of per capita personal income plus the value of new construction.

Measurement Focus and Basis of Accounting: The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenue is recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenue is recognized in the period in which it becomes both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Town considers revenue to be available if it is collected within 60 days of the end of the current fiscal year. Unearned/unavailable revenue consists primarily of local business taxes collected in advance of the year to which they relate. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt, which is recognized when due. Property taxes, intergovernmental revenue, franchise fees, charges for services and investment income are all considered susceptible to accrual and so have been recognized as revenue in the current fiscal year. All other revenue items are considered to be measurable and available only when received in cash by the Town.

Cash and Cash Equivalents: Cash and cash equivalents consist of petty cash, checking accounts, and money market accounts.

Investments: Investments consist of participation in external investment pools and mutual funds held in the pension trust fund which are traded on a national stock exchange. All investments are stated at fair value. The fair value of the Town's investment in the Florida Municipal Investment Trust external investment pool is based on the fair value of the underlying portfolio assets of the Trust.

The Town also invests in the Florida Prime fund, an external investment pool administered by the State of Florida and operating as a "2a7-like" pool under Governmental Accounting Standards Board (GASB) Statement No. 31. As such, the Florida Prime fund uses amortized cost for valuation of the pool shares and the fair value of the shares in the pool is the same as the Town's investment in the shares.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable: Accounts receivable represents amounts due from local businesses for fines, insurance, franchise and utility taxes. Receivables are not collateralized.

Prepaid Expenses/Items: Expenditures for various administrative expenses extending over more than one accounting period are accounted for as prepaid expenses/items under the consumption method and allocated between accounting periods.

Capital Assets: The Town has reported all capital assets, including infrastructure (roads, sidewalks, lighting and similar items), in the government-wide statement of net position. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Capital assets are recorded at cost or, if donated, fair value at the date of donation. Expenses, which materially extend the useful life of existing assets, are capitalized. Certain costs for professional services associated with the acquisition and construction of capital assets have been capitalized. The cost of capital assets sold or retired is removed from the appropriate accounts and any resulting gain or loss is included in the change in net assets. Depreciation is computed using the straight-line method over the estimated useful lives of all reported capital assets, except land. Estimated useful lives assigned to the various categories of assets are as follows:

Streets and lighting	20-30 years
Buildings and improvements	10-30 years
Equipment and vehicles	5-20 years

Unearned/Unavailable Revenue: Unearned revenue in the Governmental Activities and unavailable revenue in the Governmental Funds includes amounts received in advance by the Town for local business taxes applicable to the following year.

Compensated Absences: Accumulated unpaid annual leave amounts are accrued when earned. Benefits that were earned but not used during the current year were accrued at the employees' pay rate in effect at September 30, 2015. This accrual also includes salary related payments such as the Town's share of social security taxes and medicare taxes, as well as the Town's pension plan contributions. A liability for these amounts is reported in governmental funds only if they have matured. The remainder of the liability is reported in the government-wide statement of net position.

Deferred Outflows/Inflows of Resources: In addition to assets and liabilities, the government-wide Statement of Net Position and the governmental funds Balance Sheet report a separate section for deferred outflows or deferred inflows of resources. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The Town's deferred outflows of resources are related to its pension obligations.

The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The Town's deferred inflows are related to its pension obligations, which are reported as deferred inflows of resources on the government-wide Statement of Net Position. In addition,

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

the Town has another item, unavailable revenue, which arises only under the modified accrual basis of accounting and is reported as a deferred inflow of resources on the governmental funds Balance Sheet. The unavailable revenue results from local business taxes received by the Town in advance of the year for which they were levied. These amounts are deferred and recognized as an inflow of resources in the year that the amounts become available.

Postemployment Benefits: As required by Florida Statutes, the Town offers retired employees the option of participating in the health insurance plan provided to Town employees. Premiums for insurance coverage of retirees are paid by the retirees.

Net Position/Fund Balances: The government-wide financial statements utilize a net position presentation. Net position is categorized as follows:

Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if any. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds. At September 30, 2015, the Town had no outstanding debt.

Restricted - This component of net position consists of constraints placed on the use of net position by external restrictions imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Of the Town's total net position, \$286,175 is restricted by laws and regulations.

Unrestricted - This component of net position consists of the net position that does not meet the definition of *Investment in Capital Assets* or *Restricted*.

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes accounting and financial reporting requirements for all governmental funds and establishes criteria for classifying fund balance. Accordingly, the general fund financial statements report fund equity classifications that comprise a hierarchy based primarily on the extent to which the Town is legally bound to honor the specific purposes for which amounts in fund balance may be spent. The fund balance classifications are summarized as follows:

Nonspendable - Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to remain intact.

Restricted - Restricted fund balance includes amounts that are restricted to specific purposes either by (a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or through enabling legislation. Of the Town's total net position, \$286,175 is restricted by laws and regulations.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Committed - Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by the Town Council through an ordinance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

Assigned - Assigned fund balance is intended to be used by the Town for specific purposes, but does not meet the criteria to be classified as committed. The Council has by resolution authorized Town management to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's budget. Normally, additional action does not have to be taken for the removal of assignments.

Unassigned - The General Fund reports a positive, unassigned fund balance that includes amounts that have not been restricted, committed or assigned to specific purposes.

Net Position Flow Assumption - Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted net position to have been used before unrestricted net position is applied.

Fund Balance Flow Assumption - Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been used before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is used first, followed by assigned fund balance. Unassigned fund balance is applied last.

Minimum Fund Balance Policy - The Town Council has adopted a formal minimum fund balance policy whereby the Town strives to maintain a minimum unassigned fund balance in the general fund of 50% of the following year's budgeted expenditures less amounts funded by grants or committed fund balance. In the event that the unassigned fund balance exceeds the minimum amount, the excess may be utilized for any lawful purpose of the Town or for one-time costs including the establishment of or increase in commitments or assignments of fund balance.

Interfund Transactions: The only interfund transactions made during the year were transactions for services rendered. These transactions are recorded as revenue in the receiving fund and expenditures/expenses in the disbursing fund.

Risk Management: The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town purchases commercial insurance for the risks of losses to which it is exposed. Policy limits and

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

deductibles are reviewed annually by management and established at amounts to provide reasonable protection from significant financial loss. There were no significant reductions in insurance coverage from the prior year. Insurance settlements have not exceeded the Town's coverage in any of the prior three fiscal years.

Grants: Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies. Any disallowed claims, including amounts already received, might constitute a liability of the Town for the return of those funds.

Implementation of GASB Statements: The Town implemented the following GASB Statements for the fiscal year ended September 30, 2015 that had an impact on the Town.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, provides accounting and financial reporting requirements for governments whose employees receive pensions through pension plans. The Statement establishes a definition for pension arrangements and determining pension obligations and requirements for accumulating and managing assets dedicated for pensions and paying benefits to plan members as they come due.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, amends Statement No. 68 regarding the reporting of contributions as deferred outflows upon adoption of Statement No. 68.

Restatement for Implementation of GASB Statements No. 68 and No. 71: The implementation of GASB Statements No. 68 and No. 71 resulted in a restatement that decreased the beginning net position of the Town's government-wide financial statements by \$1,822,473 to record the net pension liability and net deferred inflows of resources for the Town's proportionate share of the two Florida Retirement System, cost-sharing multiple employer pension plans, at October 1, 2014. The implementation of GASB Statements No. 68 and No. 71 had no effect on the Town's governmental and fiduciary fund financial statements.

Recent Accounting Pronouncements: The GASB has issued the following Statements effective in future years that may impact the Town. Management has not completed its analysis of the effects, if any, of these GASB statements on the financial statements of the Town.

GASB Statement No. 72, *Fair Value Measurement and Application*, addresses financial reporting issues related to fair value measurements. The Statement provides guidance for determining fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this statement will be effective for the Town for the fiscal year ending September 30, 2016.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68*, establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68 by extending the accounting and financial reporting provisions to all pensions. Statement No. 73 also

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

requires disclosures in the notes to the financial statements and required supplementary information as required by Statement No. 68. The requirements of this statement will be effective for the Town for the fiscal year ending September 30, 2016.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new standards of financial reporting for governments whose employees are provided with other postemployment benefits (OPEB) through defined benefit and defined contribution OPEB plans and requires enhanced note disclosures and schedules of required supplementary information for OPEB plans. The requirements of this statement will be effective for the Town for the fiscal year ending September 30, 2017.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes new accounting and financial reporting requirements for governments whose employees are provided with other postemployment benefits (OPEB), as well as certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to employees of other entities. The requirements of this statement will be effective for the Town for the fiscal year ending September 30, 2018.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, identifies, in the context of the current governmental financial reporting environment, the sources of accounting principles used to prepare financial statements of state and local governments in conformity with GAAP and the framework for selecting those principles. The requirements of this statement will be effective for the Town for the fiscal year ending September 30, 2016.

GASB Statement No. 77, *Tax Abatement Disclosures*, requires disclosure of tax abatement information about the reporting government's own tax abatement agreements and agreements that are entered into by other governments that reduce the reporting government's tax revenues. The requirements of this statement will be effective for the Town for the fiscal year ending September 30, 2017.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, amends the scope and applicability of Statement No. 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that: (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of this statement will be effective for the Town for the fiscal year ending September 30, 2017.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

at amortized cost for financial reporting purposes. The requirements of this statement will be effective for the Town for the fiscal year ending September 30, 2017.

GASB Statement No. 80, *Blending Requirements for Certain Component Units - an Amendment of GASB Statement No. 14*, amends the blending requirements for financial statement presentation of component units of all state and local governments and requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The requirements of this statement will be effective for the Town for the fiscal year ending September 30, 2017.

Estimates: Management uses estimates and assumptions in preparing financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenditures/expenses. Actual results could vary from the estimates that were used.

NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents: Cash and cash equivalents at September 30, 2015, include \$850 of petty cash and deposits with financial institutions with a bank balance of \$4,218,429 and a carrying amount of \$4,212,043. The deposits with financial institutions were covered by a combination of federal depository insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions which comply with the requirements of Florida Statutes and have been designated as a qualified public depository by the State Treasurer. Qualified public depositories are required to pledge collateral to the State Treasurer with a fair value equal to a percentage of the average daily balance of all government deposits in excess of any federal deposit insurance. In the event of a default by a qualified public depository, the amount of public funds would be covered by the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. Accordingly, all deposits with financial institutions are considered fully insured or collateralized in accordance with the pronouncements of GASB.

Investments: Florida Statutes authorize the Town to invest in the Florida Prime fund, an external investment pool administered by the State of Florida; negotiable direct obligations of or obligations unconditionally guaranteed by the U.S. Government; interest-bearing time deposits or savings accounts in financial institutions located in Florida and organized under federal or Florida laws; obligations of the Federal Farm Credit Banks, Fannie Mae, the Federal Home Loan Bank or its district banks; obligations guaranteed by Ginnie Mae and obligations of Freddie Mac; and, any additional investments specifically authorized by Town Ordinance. The Town has also adopted ordinances permitting investment in the Florida Municipal Investment Trust, an external, government investment pool administered by the Florida League of Cities. The General Employees Retirement Plan and Trust Fund allows employees to direct their contributions into any of the various mutual funds offered by the Plan.

The fair value of investments held by the Town at September 30, 2015, is as follows:

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

<u>General Fund</u>	
Florida Prime fund	\$ 6,201
Investments in Florida Municipal Investment Trust	
0-2 Year High Quality Bond Fund	206,554
1-3 Year High Quality Bond Fund	400,987
Intermediate High Quality Bond Fund	<u>500,412</u>
	<u>\$ 1,114,154</u>
 <u>General Employees Retirement Plan and Trust Fund</u>	
Mutual Funds	
Equity funds	\$ 321,719
Fixed income funds	30,160
Money market funds	87,197
Real estate fund	<u>8,489</u>
	<u>\$ 447,565</u>

The Florida Prime fund consists of equity in an external investment pool administered by the State of Florida pursuant to statutory requirements and operated in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets used to compute share prices if certain conditions are met. Those conditions include restrictions on the types of investments held, restrictions on the term-to-maturity of individual investments and the dollar-weighted average of the portfolio, requirements for portfolio diversification, requirements for divestiture considerations in the event of security downgrades and defaults, and required actions if the fair value of the portfolio deviates from amortized cost by a specified amount. The fair value of the position in the Florida Prime fund is considered to be the same as the Town’s account balance (amortized cost) in the fund.

The Florida Municipal Investment Trust (the “Trust”) is an external investment pool established in 1993 and administered by the Florida League of Cities, Inc. pursuant to the laws of the State of Florida. The Trust is exempt from registration under the Securities Act of 1933, the Investment Company Act of 1940 and the Florida Securities and Investors Protection Act. Participants in the Trust are limited to governmental entities in the State of Florida. The Trust operates several portfolios with differing investment goals. The Town invests in two Short Term Bond Portfolios and one Intermediate Term Bond Portfolio designed to provide an investment horizon and yield greater than that of money market instruments. The fair value of the Town’s position in the Trust is the same as the fair value of the Trust shares. Purchases and redemption of shares in the Trust may only be made on or about the end of each month and the Town must maintain an account balance of at least \$50,000.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. The Town’s investment policy limits the maturities of its investments to shorter term securities, money market funds or similar investment pools. However, the policy does not

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

limit maturities to a specific number of years. Money market mutual funds have a weighted average maturity of ninety days or less, resulting in minimal interest rate risk. The weighted average maturity of the Florida Prime fund at September 30, 2015, is 29 days. The table below summarizes the weighted average maturity of the Town's other fixed income investments at September 30, 2015.

	<u>Weighted Average Maturity</u>	<u>Fair Value</u>
<u>Governmental Fund Investments</u>		
0-2 Year High Quality Bond Fund	0.70 years	\$ 206,554
1-3 Year High Quality Bond Fund	1.37 years	400,987
Intermediate High Quality Bond Fund	3.60 years	500,412
<u>Pension Trust Fund Investments</u>		
Vanguard Total Bond Market Index Fund	7.90 years	12,691
Vanguard Intermediate Term Bond Index Fund	7.20 years	<u>17,469</u>
		<u>\$ 1,138,113</u>

Credit Risk: Credit risk is the risk that a debt issuer will not fulfill its obligations. The security rating by a Nationally Recognized Statistical Rating Organization (NRSRO) is an indication of credit risk. The Town does not have a policy requiring that investments in debt securities be rated in certain investment grades by a NRSRO. The Florida Prime fund had a credit rating of AAAM at September 30, 2015.

The NRSRO ratings (Fitch) for the governmental fund investments at September 30, 2015, are listed below. The fixed income and money market mutual funds included in the pension trust fund investments were unrated.

	<u>NRSRO Rating</u>	<u>Fair Value</u>
<u>Governmental Fund</u>		
0-2 Year High Quality Bond Fund	AAA	\$ 206,554
1-3 Year High Quality Bond Fund	AAA	400,987
Intermediate High Quality Bond Fund	AAA	<u>500,412</u>
		<u>\$ 1,107,953</u>

Custodial Credit Risk: Custodial credit risk is defined as the risk that the Town may not recover cash and investments held by another party in the event of a financial failure. The investments in mutual funds, the Florida Prime fund and the Florida Municipal Investment Trust are considered *unclassified* pursuant to the custodial credit risk categories of GASB Statement No. 3, because they are not evidenced by securities that exist in physical or book-entry form.

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The Town has no specific policy for concentration of credit

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

risk. Investments in mutual funds and external investment pools are excluded from the concentration of credit risk disclosure requirement.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. There was no exposure to foreign currency risk in the Town's investments at September 30, 2015.

NOTE C - CAPITAL ASSETS

The Town's capital asset activity for the year ended September 30, 2015, was as follows:

<u>Governmental Activities</u>	Balance at Beginning of Year	Increases	Decreases	Balance at End of Year
Capital assets not being depreciated				
Land	\$ 1,080,260	\$ -	\$ -	\$ 1,080,260
Capital assets being depreciated				
Buildings and improvements	4,771,236	41,244	-	4,812,480
Equipment and vehicles	1,947,141	228,828	(169,358)	2,006,611
Streets and lighting	<u>3,360,384</u>	<u>22,099</u>	<u>-</u>	<u>3,382,483</u>
Total capital assets being depreciated	10,078,761	292,171	(169,358)	10,201,574
Less accumulated depreciation for				
Buildings and improvements	(2,773,581)	(200,417)	-	(2,973,998)
Equipment and vehicles	(1,262,295)	(161,645)	154,200	(1,269,740)
Streets and lighting	<u>(1,651,757)</u>	<u>(124,274)</u>	<u>-</u>	<u>(1,776,031)</u>
Total accumulated depreciation	<u>(5,687,633)</u>	<u>(486,336)</u>	<u>154,200</u>	<u>(6,019,769)</u>
Total capital assets being depreciated, net	<u>4,391,128</u>	<u>(194,165)</u>	<u>(15,158)</u>	<u>4,181,805</u>
Governmental activities capital assets, net	<u>\$ 5,471,388</u>	<u>\$ (194,165)</u>	<u>\$ (15,158)</u>	<u>\$ 5,262,065</u>

Depreciation expense was charged to functions/programs as follows:

<u>Governmental Activities</u>	
Administrative	\$ 115,697
Planning and zoning	6,988
Public safety	117,524
Public works	<u>246,127</u>
Total depreciation expense - governmental activities	<u>\$ 486,336</u>

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE D - NONCURRENT LIABILITIES

As of September 30, 2015, the Town's noncurrent liabilities consist of compensated absences payable and other postemployment benefits liabilities. The following is a summary of changes in the Town's noncurrent liabilities for the year ended September 30, 2015:

<u>Governmental Activities</u>	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at End of Year</u>	<u>Amounts Due Within One Year</u>
Compensated absences	\$ 242,064	\$ 242,127	\$ (229,589)	\$ 254,602	\$ 16,824
OPEB liability	19,363	-	(9,960)	9,403	-
Total long-term debt	261,427	<u>\$ 242,127</u>	<u>\$ (239,549)</u>	264,005	<u>\$ 16,824</u>
Current maturities	14,781			16,824	
Net long-term debt	<u>\$ 246,646</u>			<u>\$ 247,181</u>	

NOTE E - PENSION PLANS

All full-time Town employees hired before January 1, 1996, and all Town police officers are required to participate in the Florida Retirement System (FRS) and the Retiree Health Insurance Subsidy Trust Fund (HIS), administered by the Florida Department of Management Services, Division of Retirement. All full-time and eligible part-time, general employees hired after January 1, 1996, are required to participate in the Town's defined contribution pension plan administered by the Town through the Florida League of Cities, Inc.

Florida Retirement System

Plan Description: FRS and HIS are cost-sharing, multiple-employer, defined benefit, public employee retirement systems that provide retirement, death and disability benefits to approximately 1,000 participating employers consisting of the State of Florida, Counties, Municipalities, School Boards, Community Colleges, Independent Hospitals, Special Districts, and other governmental entities in the State of Florida. FRS and HIS were established and are administered in accordance with Chapter 121 and Section 112.363, respectively, of the Florida Statutes.

FRS includes a Deferred Retirement Option Program (DROP) available for eligible employees. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation is optional for cities, municipalities, special districts, charter schools and metropolitan planning organizations.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE E - PENSION PLANS (Continued)

HIS membership is optional and available to all retirees under a state-administered retirement system, provided the retiree provides proof of health insurance coverage, which can include Medicare. Participation is compulsory for cities, municipalities, special districts, charter schools and metropolitan planning organizations that participate in FRS.

Benefits Provided: FRS provides retirement, survivor and disability benefits to plan members and beneficiaries. Pension benefits of FRS are established by Florida Statutes, Chapter 121, and may be amended by the Florida Legislature. Retirement benefits are computed on the basis of age and/or years of service, average final compensation and service credit. Members initially enrolled on or after July 1, 2001 through June 30, 2011, vest after six years of service. Members initially enrolled on or after July 1, 2011, vest after eight years of creditable service. HIS provides retirees and beneficiaries a monthly benefit equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The monthly benefit payment is established by Section 112.363, Florida Statutes and is at least \$30, but not more than \$150.

Contributions: FRS members are required to contribute 3.0% and no contribution is required for HIS members. Participating governments, including the Town, contribute to FRS at actuarially determined rates for various classes of employees, which are presently 7.26% of annual covered payroll for employees covered in the regular class, 21.43% for senior management class, and 22.04% for employees covered in the special risk class. These employer contribution rates include 1.66% for the HIS Plan. The Town's contributions to FRS (including the HIS subsidy) for the year ended September 30, 2015, were \$303,443 which was equal to 100% of the required contributions for the year.

Funding Policy: The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due based upon plan assumptions. HIS uses a pay-as-you-go funding policy based on monthly employer contributions at a flat percentage of gross compensation for all active FRS members. Employer and employee contribution rates are established by State law as a level percentage of payroll. Employer contribution rates are determined using the entry-age actuarial cost method. The consulting actuary recommends rates based on the annual valuation, but actual contribution rates are established by the Florida Legislature.

Publicly Available Financial Report: The State of Florida issues a publicly available financial report for FRS and HIS that includes financial statements and required supplementary information. The complete financial report is available on the Publications page of the Division of Retirement's website at www.frs.myflorida.com or by writing to the Research and Education Section at P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling toll free 877-377-1737 or 850-488-5706.

Summary of Significant Accounting Policies: The financial statements of FRS and HIS are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. Employee contributions are recognized in the period of time for which the contributions are assessed. Employer contributions are recognized in the period in which employee services are performed. Benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the terms of FRS and HIS. Other expenses are recognized when the corresponding liabilities are incurred. Investment income is recognized as revenue when earned. Investments are reported at fair value and are

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE E - PENSION PLANS (Continued)

managed by external investment managers. The independent investment custodian for FRS and HIS determines the fair value of securities using various third party pricing sources. For private market investments, where no readily ascertainable market value exists, fair values are based on net asset value (capital account balance) provided by investment managers at the closest available reporting period and adjusted for subsequent contributions and distributions. The net appreciation (depreciation) in fair value of investments is recorded as an increase (decrease) to investment income based on the valuation of investments. Investment earnings are net of investment related expenses, such as management fees, portfolio evaluation and custodial services. For purposes of measuring the net pension liability, deferred inflows/outflows of resources related to pensions, and pension expense, information about the fiduciary net position of FRS and HIS and the additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by FRS and HIS.

Pension Liabilities, Pension Expense, and Deferred Inflows/Outflows of Resources Related to Pensions

At September 30, 2015, the Town reported a liability of \$1,209,909 and \$541,846 for its proportionate share of the net pension liability of FRS and HIS, respectively. The net pension liability of each plan was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 for FRS and July 1, 2014 for HIS. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, as actuarially determined. At June 30, 2015, the Town's FRS proportion was 0.009367271 percent, which was an increase of 0.000555218 from its proportion measured as of June 30, 2014 and the HIS proportion was 0.005313036 percent, which was an increase of 0.00019788 from its proportion measured as of June 30, 2014.

For the year ended September 30, 2015, the Town recognized pension expense of \$172,229 for FRS and HIS. At September 30, 2015, the Town reported deferred outflows and inflows of resources related to FRS pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 127,731	\$ 28,695
Changes in assumptions	80,306	-
Net difference between projected and actual investment earnings on pension plan investments	426,163	715,069
Changes in proportion and differences between Town contributions and proportionate share of contributions	72,869	26,748
Town contributions subsequent to the measurement date	<u>71,601</u>	<u>-</u>
Total	<u>\$ 778,670</u>	<u>\$ 770,512</u>

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE E - PENSION PLANS (Continued)

At September 30, 2015, the Town reported deferred outflows and inflows of resources related to HIS pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Changes in assumptions	\$ 46,269	\$ -
Net difference between projected and actual investment earnings on pension plan investments	293	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	15,358	15,852
Town contributions subsequent to the measurement date	6,270	-
Total	\$ 68,190	\$ 15,852

Deferred outflows of resources related to pensions of \$77,871 resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred inflows/outflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending <u>September 30,</u>	FRS Amount	HIS Amount
2016	\$ (95,713)	\$ 7,424
2017	(95,713)	7,424
2018	(95,713)	7,424
2019	142,643	7,364
2020	27,701	7,336
Thereafter	7,230	5,951

Actuarial Assumptions: The total pension liability for FRS and HIS in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE E - PENSION PLANS (Continued)

	FRS	HIS
Valuation date	July 1, 2015	July 1, 2014
Measurement date	June 30, 2015	June 30, 2015
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percent of pay, open	Level percent of pay, open
Equivalent single amortization period	30 years	30 years
Asset valuation method	5 year smoothed	Market value
Discount rate	7.65%	3.80%
Inflation	2.60%	2.60%
Salary increases, including inflation	3.25%	3.25%
Long-term expected rate of return, net of investment expenses	7.65%	N/A
Municipal bond rate	N/A	3.80%
Cost of living adjustments	3.00%	N/A
Mortality rates	Mortality rates Generational RP-2000 with Projection Scale BB	Mortality rates Generational RP-2000 with Projection Scale BB

Best estimates of arithmetic real rates of return for each major asset class are as follows:

Asset Class	Long-Term Expected Real Rate of Return
Cash	3.1%
Fixed income	4.7
Global equity	7.2
Private equity	8.2
Strategic investments	6.1
Real estate (property)	6.2

Discount Rate: The discount rate used to measure the total pension liability of FRS at June 30, 2015 was 7.65% for FRS and 3.80% for HIS. The FRS discount rate was based on the expected rate of return on FRS investments. The HIS discount rate was based on the municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the fiduciary net position of FRS was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on investments of FRS was applied to all periods of projected benefit payments to determine the projected total pension liability. Because HIS uses a pay-as-you-go funding structure, a municipal bond rate of 3.80% was used to determine the total pension liability.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE E - PENSION PLANS (Continued)

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following table presents the Town's proportionate share of the net pension liability of FRS and HIS at September 30, 2015, calculated using the current discount rate, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

FRS			HIS		
1.0% Decrease (6.65%)	Current Discount Rate (7.65%)	1.0% Increase (8.65%)	1.0% Decrease (2.80%)	Current Discount Rate (3.80%)	1.0% Increase (4.80%)
\$ 3,135,147	\$ 1,209,909	\$ (392,206)	\$ 617,408	\$ 541,846	\$ 478,838

Pension Plan Fiduciary Net Position: Detailed information about the fiduciary net position of FRS and HIS are available in a separately issued financial report, which is available on the Publications page of the Division of Retirement's website at www.frs.myflorida.com.

Payables to FRS

At September 30, 2015, the Town had a payable to FRS in the amount of \$42,882.

General Employees Retirement Plan and Trust Fund

The Town also provides pension benefits through a defined contribution pension plan administered by the Town through the Florida League of Cities, Inc. At September 30, 2015, there were 16 plan members, including 13 active Plan members. Plan members do not contribute to the Plan. The Town is required to contribute 6% of annual covered payroll. The pension expense recognized in 2015 was \$43,995, and no forfeited amounts were used to reduce the Town's contribution. Plan contributions vest 50% after 5 years and 10% each year thereafter, until 10 years of service, at which time the contributions are fully vested. Plan provisions and contribution requirements are established and may be amended by the Town Council. The Town's pension trust fund uses the accrual basis of accounting. Employer contributions are recognized in the period that the contributions are due. Plan members may invest their contributions in a variety of mutual funds selected by the Plan administrator. Plan investments are reported at fair value. The investments are valued based on the last reported net asset value of mutual fund shares traded on a national exchange. The fair value of investments of the Plan at September 30, 2015 was \$447,565.

NOTE F - OTHER POSTEMPLOYMENT BENEFITS

The Town adopted GASB Statement No. 45 ("Statement 45"), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for the fiscal year ended September 30, 2010. Statement 45 establishes the financial reporting and disclosure requirements by employers for other postemployment benefits ("OPEB").

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Plan Description

The Town offers a single-employer defined benefit health care plan (the "Plan") that provides optional health care coverage to eligible retired employees and their dependents. Retirees have a one-time option to continue coverage upon retirement and premiums for coverage are paid 100% by the retiree. The Town Council has the authority to establish and amend the premiums for and the benefit provisions of the Plan. The Plan is financed on a "pay-as-you-go" basis and is not administered as a formal qualifying trust. The Plan does not issue a separate, publicly available, audited GAAP-basis financial report.

Funding Policy

The Town is required by Florida Statute 112.0801 to allow retirees to buy healthcare coverage at the same *group insurance rates* that current employees are charged resulting in an *implicit* healthcare benefit. The State of Florida prohibits the Plan from separately rating retirees and active employees. The Plan therefore charges both groups an equal, blended rate premium. Although both groups are charged the same blended rate premium, GAAP requires the actuarial figures to be calculated using age adjusted premiums approximating claim costs for retirees separate from active employees. The use of age adjusted premiums results in the addition of an implicit rate subsidy into the actuarial accrued liability. Plan members receiving benefits contribute 100% of the monthly premium ranging from a minimum of \$465 to a maximum of \$1,293.

Annual OPEB Cost and Net OPEB Obligation

The annual other postemployment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and the amortization of any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The Town's annual OPEB cost and the net OPEB obligation for the year ended September 30, 2015, were based on an actuarial valuation as of October 1, 2015, and are summarized as follows:

Annual required contribution	\$	7,000
Interest on net OPEB obligation		1,000
Adjustment to annual required contribution		<u>(1,000)</u>
Annual OPEB cost		7,000
Contributions made		<u>(16,960)</u>
Decrease in net OPEB obligation		(9,960)
Net OPEB obligation, beginning of year		<u>19,363</u>
 Net OPEB obligation, end of year	 \$	 <u><u>9,403</u></u>

Comparative trend data for prior years is as follows:

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
9-30-15	\$ 7,000	\$ 16,960	242.3%	\$ 9,403
9-30-14	12,000	15,960	133.0%	19,363
9-30-13	12,000	12,071	100.6%	23,323

Funded Status and Funding Progress

The Plan is financed on a pay-as-you-go basis, so the Town has not contributed assets to the Plan. The latest actuarial valuation was done as of June 30, 2015, and the Town intends to obtain such valuations on a triennial basis in the future. The following schedule of funding progress is presented based upon available information and, in the future, will show additional multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits:

<u>Date of Actuarial Valuation</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
6-30-15	\$ 0	\$ 87,000	\$ 87,000	0.0%	\$ 2,415,000	3.6%
1-1-14	0	90,000	90,000	0.0	2,009,000	4.5
10-1-11	0	38,000	38,000	0.0	1,667,000	2.3

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the latest actuarial valuation for the Plan as of June 30, 2015, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.5% investment rate of return (net of administrative expenses), and an annual healthcare cost trend assumption that is based on a model developed by the Society of Actuaries. The model results are based on a long term inflation assumption of 2.2%. The medical trend was adjusted to anticipate the projected impact of the Health Care Reform's Excise Tax which will be effective in 2020. The initial medical trend growth rate is 4.7%, which increases to 5.3% in 2050. The actuarial value of assets will be determined using fair value. The UAAL will be amortized over a closed 30 year period as a level percent of payroll with payroll assumed to increase 3% per year.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Certain assumptions were changed in the actuarial valuation as of January 1, 2014. The changes were as follows: (1) the mortality basis has been changed from the Mortality Table projected to 2007 to the Mortality Table projected to 2015, (2) the assumed healthcare inflation has been decreased from an initial rate of 8.37% to an initial rate of 8.00% both declining to an ultimate rate of 5.00%, and (3) the implied subsidy at age 62 was reduced by 32% for single coverage and 22% for single plus spouse coverage.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Although the valuation results are based on values the actuarial consultant believes are reasonable assumptions, the valuation result is only an estimate of what future costs may actually be and reflect a long-term perspective. Deviations in any of several factors, such as future interest rate discounts, medical cost inflation, Medicare coverage and changes in marital status, could result in actual costs being greater or less than estimated.

NOTE G - COMMITMENT AND CONTINGENCIES

Litigation: The Town is subject to a variety of lawsuits occurring in the normal course of business, the ultimate outcome of which is not presently determinable. In the opinion of management, after consultation with legal counsel, the resolution of any pending matters is not expected to have a significant impact on the financial condition of the Town.

Cost Sharing Agreement: The Town entered into an Interlocal Agreement ("Agreement") with the City of Palm Beach Gardens, Florida ("PBG"), and the Town of Jupiter, Florida ("Jupiter"), for the sharing of costs related to public safety dispatch services. The Agreement is for a five-year period commencing on October 1, 2011 through September 30, 2016. The Agreement automatically renews for an additional five year term unless one of the parties gives notice of termination. The Dispatch Services are performed by PBG employees who operate the dispatch center. Each contracting municipality's share of the costs of operating the dispatch center are based upon the percentage of each municipality's population as compared to the total population of all the contracting municipalities being served. The Town's total costs related to this Agreement were \$91,180 for the year ended September 30, 2015.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF JUNO BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue				
Ad valorem taxes	\$ 2,592,152	\$ 2,592,152	\$ 2,582,353	\$ (9,799)
Local business taxes	59,000	59,000	57,413	(1,587)
Licenses, permits and fees				
Building permit fees	850,000	850,000	1,264,552	414,552
County occupational licenses	10,000	10,000	9,976	(24)
Zoning fees	20,000	20,000	21,730	1,730
	<u>880,000</u>	<u>880,000</u>	<u>1,296,258</u>	<u>416,258</u>
Intergovernmental				
Sales tax	243,834	243,834	246,911	3,077
State revenue sharing	77,201	77,201	80,530	3,329
Local option gas tax	50,885	50,885	53,514	2,629
Alcoholic beverage licenses	6,200	6,200	4,777	(1,423)
Other	12,400	12,400	9,112	(3,288)
	<u>390,520</u>	<u>390,520</u>	<u>394,844</u>	<u>4,324</u>
Franchise fees and utility taxes				
Franchise fees	57,000	57,000	70,185	13,185
Utility taxes	500,000	500,000	548,352	48,352
Communications service taxes	350,177	350,177	331,854	(18,323)
	<u>907,177</u>	<u>907,177</u>	<u>950,391</u>	<u>43,214</u>
Fines	357,750	357,750	64,774	(292,976)
Investment earnings	52,500	52,500	56,422	3,922
Impact fees	-	-	42,623	42,623
Grants	75,000	75,000	82,818	7,818
Water and sewer improvement fees	22,000	22,000	11,800	(10,200)
Miscellaneous	<u>136,137</u>	<u>136,137</u>	<u>229,376</u>	<u>93,239</u>
Total revenue	<u>\$ 5,472,236</u>	<u>\$ 5,472,236</u>	<u>\$ 5,769,072</u>	<u>\$ 296,836</u>

See notes to budgetary comparison schedule.

TOWN OF JUNO BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)

Year Ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Expenditures				
Administrative				
Salaries	\$ 546,101	\$ 546,101	\$ 543,372	\$ 2,729
Employee benefits	152,911	152,911	143,353	9,558
Professional fees	52,444	52,444	47,825	4,619
Insurance	185,500	185,500	167,971	17,529
Operating	143,600	146,910	126,212	20,698
Contingency	553,294	73,786	-	73,786
Capital outlay	5,000	13,500	11,181	2,319
	<u>1,638,850</u>	<u>1,171,152</u>	<u>1,039,914</u>	<u>131,238</u>
Planning and zoning				
Salaries	260,459	260,459	253,369	7,090
Employee benefits	81,163	81,163	72,578	8,585
Professional fees	64,000	64,000	49,153	14,847
Operating	461,500	696,500	667,861	28,639
Capital outlay	32,250	32,250	30,389	1,861
	<u>899,372</u>	<u>1,134,372</u>	<u>1,073,350</u>	<u>61,022</u>
Public safety				
Police				
Salaries	1,348,261	1,400,367	1,307,180	93,187
Employee benefits	544,855	544,855	503,562	41,293
Professional fees	346,500	351,500	70,763	280,737
Operating	353,170	353,170	306,143	47,027
Capital outlay	51,500	187,993	155,040	32,953
	<u>2,644,286</u>	<u>2,837,885</u>	<u>2,342,688</u>	<u>495,197</u>
Public works				
Salaries	330,626	330,626	325,104	5,522
Employee benefits	98,525	98,525	91,520	7,005
Operating	346,637	346,637	325,844	20,793
Capital outlay	150,000	189,099	95,561	93,538
	<u>925,788</u>	<u>964,887</u>	<u>838,029</u>	<u>126,858</u>
Total expenditures	<u>\$ 6,108,296</u>	<u>\$ 6,108,296</u>	<u>\$ 5,293,981</u>	<u>\$ 814,315</u>

See notes to budgetary comparison schedule.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULE

September 30, 2015

NOTE A - BUDGETARY ACCOUNTING

Budgets: The Town is legally required to adopt a budget for the general fund. This budget is prepared on the modified accrual basis of accounting consistent with U.S. generally accepted accounting principles (GAAP), except that for budgetary purposes current year encumbrances, if any, are treated as expenditures. Unencumbered appropriations lapse at fiscal year end.

Changes or amendments to the total budgeted expenditures of the Town or total departmental expenditures must be approved by the Town Council; however, changes within a department, which do not affect the total departmental expenditures, may be approved by the Town Manager. Accordingly, the legal level of control is at the department level.

During the year, the Town made several administrative changes on the departmental level. The Town has complied with the Florida Statute requirement that budgets be in balance. The budgeted expenditures reflected in the accompanying financial statements exceed revenue by the amounts budgeted from beginning fund balance.

Encumbrances: Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as part of the budgetary accounting system in the general fund. Encumbrances outstanding at year end, if any, are reported as committed or assigned fund balance since they do not constitute expenditures or liabilities.

NOTE B - BUDGET AND ACTUAL COMPARISONS

The Budgetary Comparison Schedule for the general fund is required to be prepared under the basis of accounting used in preparing the budget, which is the modified accrual basis of accounting. Current year encumbrances are treated as expenditures for budgetary purposes. In addition, for budgetary purposes insurance proceeds and proceeds from the sale of capital assets are treated as miscellaneous revenue, whereas for GAAP purposes such items are treated as other financing sources. As a result, general fund revenue and expenditures reported in the budget and actual statement differ from the corresponding amounts reported on the basis of U.S. generally accepted accounting principles. The differences can be reconciled as follows:

	<u>Revenue</u>	<u>Expenditures</u>
GAAP basis	\$ 5,730,953	\$ 5,293,981
Insurance proceeds	18,499	-
Proceeds from sale of capital assets	<u>19,620</u>	<u>-</u>
Budgetary basis	<u>\$ 5,769,072</u>	<u>\$ 5,293,981</u>

Town of Juno Beach, Florida

Required Supplementary Information

Schedule of Changes in the Net Pension Liability and Related Ratios -

Florida Retirement System (FRS) Pension Plan

Last Two Fiscal Years

	Fiscal Year	
	2015	2014
Total Pension Liability		
Service cost	\$ 2,114,046,879	\$ 2,256,738,453
Interest	11,721,563,262	11,489,920,524
Differences between expected and actual experience	1,620,863,000	(448,818,280)
Changes of assumptions	-	1,256,045,470
Benefit payments, including refunds	(10,201,501,000)	(8,714,250,810)
Net change in total pension liability	5,254,972,141	5,839,635,357
Total pension liability, beginning of fiscal year	156,115,762,947	150,276,127,590
Total pension liability, end of fiscal year (a)	\$ 161,370,735,088	\$ 156,115,762,947
Plan Fiduciary Net Position		
Contributions		
Employer	\$ 2,438,084,925	\$ 2,190,424,344
Plan members	698,304,112	682,507,323
Net investment income	5,523,287,472	22,812,286,493
Benefit payments, including refunds	(10,201,501,000)	(8,714,250,810)
Administration expense	(18,073,979)	(18,351,882)
Net change in plan fiduciary net position	(1,559,898,470)	16,952,615,468
Plan fiduciary net position, beginning of fiscal year	150,014,292,372	133,061,676,904
Plan fiduciary net position, end of fiscal year (b)	\$ 148,454,393,902	\$ 150,014,292,372
Net Pension Liability, end of fiscal year [(a)-(b)]	\$ 12,916,341,186	\$ 6,101,470,575
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.0%	96.1%
Covered Employee Payroll	\$ 32,726,034,000	\$ 24,723,564,758
Net Pension Liability as a Percentage of Covered Employee Payroll	39.5%	24.7%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of the preceding fiscal year ended June 30 that occurred within the Town's fiscal year.

Changes in Benefits: There were no changes in benefits for FRS during 2015 and 2014.

Changes in Assumptions: There were no changes in actuarial assumptions for FRS during 2015 and 2014.

Information prior to adoption of GASB Statement No. 67 by FRS in fiscal year 2014 is not available.

Town of Juno Beach, Florida

Required Supplementary Information

Schedule of Changes in the Net Pension Liability and Related Ratios -

Florida Retiree Health Insurance Subsidy (HIS) Trust Fund

Last Two Fiscal Years

	Fiscal Year	
	2015	2014
Total Pension Liability		
Service cost	\$ 217,518,873	\$ 190,371,170
Interest	405,440,918	409,906,929
Changes of assumptions	607,698,044	386,383,120
Benefit payments, including refunds	(425,086,006)	(407,275,857)
Net change in total pension liability	805,571,829	579,385,362
Total pension liability, beginning of fiscal year	9,443,629,461	8,864,244,099
Total pension liability, end of fiscal year (a)	\$ 10,249,201,290	\$ 9,443,629,461
Plan Fiduciary Net Position		
Contributions		
Employer	\$ 382,454,396	\$ 342,566,361
Net investment income	208,147	219,369
Benefit payments, including refunds	(425,086,006)	(407,275,857)
Administration expense	(187,672)	(53,708)
Net change in plan fiduciary net position	(42,611,135)	(64,543,835)
Plan fiduciary net position, beginning of fiscal year	93,385,450	157,929,285
Plan fiduciary net position, end of fiscal year (b)	\$ 50,774,315	\$ 93,385,450
Net Pension Liability, end of fiscal year [(a)-(b)]	\$ 10,198,426,975	\$ 9,350,244,011
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	0.5%	1.0%
Covered Employee Payroll	\$ 30,340,449,100	\$ 29,676,340,167
Net Pension Liability as a Percentage of Covered Employee Payroll	33.6%	31.5%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of the preceding fiscal year ended June 30 that occurred within the Town's fiscal year.

Changes in Benefits: There were no changes in benefits for HIS during 2015 and 2014.

Changes in Assumptions: The municipal rate used to determine the total pension liability was decreased from 4.29% in 2014 to 3.80% in 2015. The HIS employer contribution rate was increased on July 1, 2015 from 1.26% to 1.66%.

Information prior to adoption of GASB Statement No. 67 by FRS in fiscal year 2014 is not available.

Town of Juno Beach, Florida

Required Supplementary Information

Schedule of the Town's Proportionate Share of the Net Pension Liability -

Florida Retirement System (FRS) Pension Plan

Last Two Fiscal Years

	Fiscal Year	
	2015	2014
Town's proportion of the net pension liability	0.009367271%	0.008812053%
Town's proportionate share of the net pension liability	\$ 1,209,909	\$ 537,665
Town covered employee payroll	\$ 1,658,127	\$ 1,540,107
Town's proportionate share of the net pension liability as a percentage of Town covered employee payroll	72.97%	34.91%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	96.10%

Notes to Schedule:

Actuarial valuation date	7/1/2015
Actuarial measurement date	6/30/2015
Actuarial methods and assumptions used to determine contribution rates:	
Discount rate - 2015	7.65%
Discount rate - 2014	7.65%
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, Closed
Amortization period:	
Gains and losses	15 years
Assumption, method and plan changes	15 years
Asset valuation method	Fair Market Value
	5-year smoothed
Inflation, per year	2.60%
Salary increases (with inflation), per year	3.25%
Investment rate of return (net of expenses, with inflation), per year	7.65%
Payroll growth	3.25%
Cost of living adjustments	3.0% pre-July 2011 0% thereafter
Retirement age	Varies by tier and member class
Mortality	RP 2000 Mortality Table Scale BB

Information prior to adoption of GASB Statement No. 67 by the Florida Retirement System in fiscal year 2014 is not available.

Town of Juno Beach, Florida

Required Supplementary Information

Schedule of the Town's Proportionate Share of the Net Pension Liability -

Florida Retiree Health Insurance Subsidy (HIS) Trust Fund

Last Two Fiscal Years

	Fiscal Year	
	2015	2014
Town's proportion of the net pension liability	0.005313036%	0.005115156%
Town's proportionate share of the net pension liability	\$ 541,846	\$ 478,280
Town covered employee payroll	\$ 1,658,127	\$ 1,540,107
Town's proportionate share of the net pension liability as a percentage of Town covered employee payroll	32.68%	31.05%
Plan fiduciary net position as a percentage of the total pension liability	0.50%	1.00%

Notes to Schedule:

Actuarial valuation date	7/1/2014
Actuarial measurement date	6/30/2015
Actuarial methods and assumptions used to determine contribution rates:	
Discount rate - 2015	3.80%
Discount rate - 2014	4.29%
Actuarial cost method	Entry Age
Amortization method	Level Percent of Payroll, Closed
Amortization period:	
Gains and losses	15 years
Assumption, method and plan changes	25 years
Asset valuation method	Fair Market Value
Inflation, per year	2.60%
Salary increases (with inflation), per year	3.25%
Investment rate of return (net of expenses, with inflation), per year	N/A
Payroll growth	N/A
Cost of living adjustments	N/A
Retirement age	N/A
Mortality	RP 2000 Mortality Table Scale BB

Information prior to adoption of GASB Statement No. 67 by the Florida Retirement System in fiscal year 2014 is not available.

Town of Juno Beach, Florida

Required Supplementary Information

Schedule of Town Contributions - Florida Retirement System FRS and HIS Plans

Last Two Fiscal Years

	Fiscal Year	
	2015	2014
Florida Retirement System (FRS) Pension Plan		
Contractually required Town contribution	\$ 255,181	\$ 227,758
Contributions in relation to the contractually required Town contribution	255,181	227,758
Contribution deficiency (excess)	\$ -	\$ -
Town covered employee payroll	\$ 1,658,127	\$ 1,540,107
Contributions as a percentage of Town covered employee payroll	15.39%	14.79%
Florida Retiree Health Insurance Subsidy (HIS) Trust Fund		
Contractually required Town contribution	\$ 40,031	\$ 35,729
Contributions in relation to the contractually required Town contribution	40,031	35,729
Contribution deficiency (excess)	\$ -	\$ -
Town covered employee payroll	\$ 1,658,127	\$ 1,540,107
Contributions as a percentage of Town covered employee payroll	2.41%	2.32%

Note to Schedule:

Information prior to adoption of GASB Statement No. 67 by FRS in fiscal year 2014 is not available.

Town of Juno Beach, Florida

Required Supplementary Information

Schedule of Investment Returns - Florida Retirement System FRS and HIS Plans

Last Two Fiscal Years

Fiscal Year Ended September 30,	Florida Retirement System (FRS)	Florida Retiree Health Insurance Subsidy (HIS) Trust Fund
2015	3.77%	0.00%
2014	17.57%	0.00%

Note to Schedule:

Information prior to adoption of GASB Statement No. 67 in fiscal year 2014 is not available.

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Town of Juno Beach’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town of Juno Beach’s overall financial health.

Contents

Financial Trends 47

These schedules contain trend information to help the reader understand how the Town’s financial performance and well-being have changed over time.

Revenue Capacity 54

These schedules contain information to help the reader assess the Town’s most significant local revenue source, the property tax.

Debt Capacity 59

These schedules present information to help the reader assess the affordability of the Town’s current levels of outstanding debt and the Town’s ability to issue additional debt in the future.

Demographic and Economic Information 61

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town’s financial activities take place and to help make comparisons over time and with other governments.

Operating Information 63

These schedules contain information about the Town’s operations and resources to help the reader understand how the information in the Town’s financial report relates to the services the Town provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Town of Juno Beach, Florida

Net Position by Component

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 6,301,071	\$ 6,521,582	\$ 7,035,344	\$ 6,857,879	\$ 6,534,685	\$ 6,240,716	\$ 5,966,879	\$ 5,655,467	\$ 5,471,388	\$ 5,262,065
Restricted	91,973	84,839	96,598	64,789	32,950	78,370	74,947	180,193	264,531	286,175
Unrestricted	3,182,740	3,764,709	3,530,236	4,070,391	4,086,721	3,592,449	3,483,745	3,837,766	4,268,384	3,027,994
Total governmental activities net position	<u>\$ 9,575,784</u>	<u>\$ 10,371,130</u>	<u>\$ 10,662,178</u>	<u>\$ 10,993,059</u>	<u>\$ 10,654,356</u>	<u>\$ 9,911,535</u>	<u>\$ 9,525,571</u>	<u>\$ 9,673,426</u>	<u>\$ 10,004,303</u>	<u>\$ 8,576,234</u>

Town of Juno Beach, Florida

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
Administrative	\$ 1,219,721	\$ 1,337,342	\$ 1,387,894	\$ 1,121,538	\$ 1,121,479	\$ 1,223,815	\$ 1,154,942	\$ 1,142,579	\$ 1,286,067	\$ 1,117,904
Planning and zoning	439,946	859,743	799,238	646,044	546,681	563,692	521,451	793,315	975,094	1,048,073
Public safety	1,918,967	2,140,509	2,215,011	2,377,361	2,572,704	2,701,459	2,634,853	2,493,518	2,386,448	2,207,642
Public works	843,119	892,465	976,761	1,015,757	1,018,693	1,019,597	970,024	958,797	964,393	981,429
Interest on long-term debt	22,236	19,581	16,827	14,016	11,133	8,038	4,896	1,654	0	-
Total governmental activities expenses	<u>\$ 4,443,989</u>	<u>\$ 5,249,640</u>	<u>\$ 5,395,731</u>	<u>\$ 5,174,716</u>	<u>\$ 5,270,690</u>	<u>\$ 5,516,601</u>	<u>\$ 5,286,166</u>	<u>\$ 5,389,863</u>	<u>\$ 5,612,002</u>	<u>\$ 5,355,048</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Administrative	\$ 111,268	\$ 116,656	\$ 118,666	\$ 32,474	\$ 38,152	\$ 24,963	\$ 30,159	\$ 41,801	\$ 77,597	\$ 32,512
Planning and zoning	29,140	508,203	445,992	334,683	254,588	220,190	220,981	798,146	1,108,134	1,329,507
Public safety	99,524	60,644	52,192	544,150	371,507	295,812	544,424	483,059	290,519	77,907
Public works	48,755	50,810	71,967	75,243	76,757	79,174	84,217	66,276	65,382	63,089
Operating grants and contributions:										
Administrative	1,925	4,850	600	5,055	4,109	3,441	7,477	12,555	7,893	20,845
Public safety	28,586	23,709	28,721	99,517	32,997	21,445	4,053	1,702	12,993	18,042
Public works	148,832	85,327	137,741	30,735	13,467	25,532	29,338	4,218	45,652	18,499
Capital grants and contributions:										
Administrative	2,649	3,298	8,263	873	464	0	1,473	24,933	33,512	38,457
Public safety	136,315	56,661	26,831	20,178	18,964	15,025	15,871	55,657	158,752	71,270
Public works	1,393,005	107,094	312,521	3,723	3,651	100,193	39,155	88,925	129,123	37,901
Total governmental activities program revenues	<u>\$ 1,999,999</u>	<u>\$ 1,017,252</u>	<u>\$ 1,203,494</u>	<u>\$ 1,146,631</u>	<u>\$ 814,656</u>	<u>\$ 785,775</u>	<u>\$ 977,148</u>	<u>\$ 1,577,272</u>	<u>\$ 1,929,557</u>	<u>\$ 1,708,029</u>
Net (expense)/revenue										
Governmental activities	<u>\$ (2,443,990)</u>	<u>\$ (4,232,388)</u>	<u>\$ (4,192,237)</u>	<u>\$ (4,028,085)</u>	<u>\$ (4,456,034)</u>	<u>\$ (4,730,826)</u>	<u>\$ (4,309,018)</u>	<u>\$ (3,812,591)</u>	<u>\$ (3,682,445)</u>	<u>\$ (3,647,019)</u>

(Continued)

Town of Juno Beach, Florida

Changes in Net Position (Continued)

Last Ten Fiscal Years

Accrual Basis of Accounting

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 3,247,849	\$ 3,763,377	\$ 3,356,080	\$ 3,138,682	\$ 2,771,192	\$ 2,612,852	\$ 2,560,031	\$ 2,613,164	\$ 2,579,423	\$ 2,582,353
Franchise fees	8,433	9,744	13,294	13,596	57,452	56,331	59,072	53,049	61,911	70,185
Utility service taxes	606,054	580,503	553,411	634,945	760,821	821,086	843,025	858,189	891,862	880,206
Local business taxes	-	-	-	53,616	53,616	56,692	58,512	57,010	59,807	57,413
State shared revenue, unrestricted	435,539	413,902	390,735	354,138	363,950	382,536	351,969	357,937	378,825	394,844
Investment earnings	202,118	260,208	169,765	163,989	107,224	57,828	50,445	21,097	41,494	56,422
Special item - proceeds from termination of pension plan	204,115	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>\$ 4,704,108</u>	<u>\$ 5,027,734</u>	<u>\$ 4,483,285</u>	<u>\$ 4,358,966</u>	<u>\$ 4,114,255</u>	<u>\$ 3,987,325</u>	<u>\$ 3,923,054</u>	<u>\$ 3,960,446</u>	<u>\$ 4,013,322</u>	<u>\$ 4,041,423</u>
Changes in Net Position										
Governmental activities	<u>\$ 2,260,118</u>	<u>\$ 795,346</u>	<u>\$ 291,048</u>	<u>\$ 330,881</u>	<u>\$ (341,779)</u>	<u>\$ (743,501)</u>	<u>\$ (385,964)</u>	<u>\$ 147,855</u>	<u>\$ 330,877</u>	<u>\$ 394,404</u>

Town of Juno Beach, Florida

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2006	2007	2008	2009
General Fund				
Reserved	\$ 294,915	\$ 710,235	\$ 255,424	\$ 210,592
Unreserved	3,229,402	3,352,418	3,560,924	4,117,333
Nonspendable:				
Prepaid items	-	-	-	-
Restricted for:				
Capital projects	-	-	-	-
Law enforcement	-	-	-	-
Assigned to:				
Subsequent year's budget	-	-	-	-
Law enforcement	-	-	-	-
Specific projects	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 3,524,317</u>	<u>\$ 4,062,653</u>	<u>\$ 3,816,348</u>	<u>\$ 4,327,925</u>

Note: GASB Statement No. 54 was adopted for 2011, resulting in the reclassification of the Governmental Funds fund balances.

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 145,972	\$ -	\$ -	\$ -	\$ -	\$ -
4,205,376	-	-	-	-	-
-	45,605	45,820	48,493	46,141	47,819
-	45,076	46,709	150,338	218,848	218,234
-	33,294	28,238	29,855	45,683	67,941
-	900,000	970,000	954,000	575,000	675,000
-	92,500	-	-	-	-
-	-	-	54,410	-	-
-	2,780,475	2,703,862	3,034,008	3,908,670	4,260,439
<u>\$ 4,351,348</u>	<u>\$ 3,896,950</u>	<u>\$ 3,794,629</u>	<u>\$ 4,271,104</u>	<u>\$ 4,794,342</u>	<u>\$ 5,269,433</u>

Town of Juno Beach, Florida

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2006	2007	2008	2009
Revenues				
Ad valorem taxes	\$ 3,247,849	\$ 3,763,377	\$ 3,356,080	\$ 3,138,682
Local business taxes				53,616
Licenses, permits and fees	102,247	580,890	459,990	340,095
Intergovernmental	435,539	413,902	390,735	354,138
Franchise fees and utility taxes	614,487	590,247	566,705	648,541
Fines	99,524	60,644	52,192	537,263
Investment earnings	202,118	260,208	169,765	163,989
Impact fees	3,031	3,785	9,589	968
Grants	1,611,004	210,041	471,099	93,301
Water and sewer improvement fees	1,925	4,850	600	2,100
Miscellaneous	127,758	157,042	142,463	172,904
Total revenues	<u>6,445,482</u>	<u>6,044,986</u>	<u>5,619,218</u>	<u>5,505,597</u>
Expenditures				
Current				
Administrative	1,016,586	1,228,161	1,202,653	973,935
Planning and zoning	433,419	853,204	788,672	637,020
Public safety	1,805,605	2,030,195	2,074,665	2,226,855
Public works	740,607	695,050	743,282	768,689
Capital outlay	2,903,327	603,327	1,027,161	290,896
Debt service				
Principal	74,531	77,132	79,824	82,609
Interest	22,236	19,581	16,827	14,016
Total expenditures	<u>6,996,311</u>	<u>5,506,650</u>	<u>5,933,084</u>	<u>4,994,020</u>
Revenues over (under) expenditures	(550,829)	538,336	(313,866)	511,577
Other financing sources				
Insurance recoveries	54,510	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources	<u>54,510</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special item - proceeds from termination of pension plan	<u>204,115</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (292,204)</u>	<u>\$ 538,336</u>	<u>\$ (313,866)</u>	<u>\$ 511,577</u>
Debt service as a percentage of non-capital expenditures	<u>2.36%</u>	<u>1.97%</u>	<u>1.97%</u>	<u>2.05%</u>

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 2,771,192	\$ 2,612,852	\$ 2,560,031	\$ 2,613,164	\$ 2,579,423	\$ 2,582,353
53,616	57,372	58,512	57,010	59,807	57,413
246,942	239,473	219,518	797,869	1,112,873	1,296,258
363,950	382,536	351,969	357,937	378,825	394,844
818,273	877,417	902,097	911,238	953,773	950,391
348,147	268,499	532,855	453,648	279,517	64,774
107,224	57,828	50,445	21,097	41,494	56,422
514	-	1,633	28,379	37,142	42,623
26,000	117,711	38,070	64,711	78,306	82,818
1,400	500	2,350	11,625	3,650	11,800
191,653	212,288	186,922	234,486	372,417	191,257
<u>4,928,911</u>	<u>4,826,476</u>	<u>4,904,402</u>	<u>5,551,164</u>	<u>5,897,227</u>	<u>5,730,953</u>
989,440	974,177	936,567	982,997	1,157,626	1,028,733
534,958	554,060	526,130	782,026	972,721	1,042,961
2,390,887	2,554,653	2,501,558	2,369,968	2,254,110	2,187,648
765,327	764,203	722,317	715,833	719,247	742,468
131,326	337,267	223,691	127,452	320,739	292,171
85,493	88,476	91,564	94,759	-	-
11,133	8,038	4,896	1,654	-	-
<u>4,908,564</u>	<u>5,280,874</u>	<u>5,006,723</u>	<u>5,074,689</u>	<u>5,424,443</u>	<u>5,293,981</u>
20,347	(454,398)	(102,321)	476,475	472,784	436,972
-	-	-	-	45,652	18,499
-	-	-	-	4,802	19,620
-	-	-	-	50,454	38,119
-	-	-	-	-	-
<u>\$ 20,347</u>	<u>\$ (454,398)</u>	<u>\$ (102,321)</u>	<u>\$ 476,475</u>	<u>\$ 523,238</u>	<u>\$ 475,091</u>
<u>2.02%</u>	<u>1.95%</u>	<u>2.02%</u>	<u>1.95%</u>	<u>0.00%</u>	<u>0.00%</u>

Town of Juno Beach, Florida

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year	Assessed Value			Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Personal Property	Total			
2006	\$ 1,195,665,029	\$ 56,401,663	\$ 1,252,066,692	3.4000	\$ 1,317,964,939	95.0%
2007	1,513,323,104	56,368,251	1,569,691,355	3.2000	1,652,306,689	95.0%
2008	1,514,735,416	55,728,752	1,570,464,168	2.8000	1,653,120,177	95.0%
2009	1,404,531,094	60,128,438	1,464,659,532	2.8000	1,541,746,876	95.0%
2010	1,194,984,013	63,989,959	1,258,973,972	2.8000	1,325,235,760	95.0%
2011	1,059,292,768	66,162,512	1,125,455,280	2.9000	1,184,689,768	95.0%
2012	1,042,990,033	61,163,441	1,104,153,474	2.9000	1,162,266,815	95.0%
2013	1,056,532,092	58,980,989	1,115,513,081	2.8786	1,174,224,296	95.0%
2014	1,083,618,120	63,174,654	1,146,792,774	2.7990	1,207,150,288	95.0%
2015	1,206,983,652	70,366,396	1,277,350,048	2.5760	1,344,578,998	95.0%

Source: Palm Beach County Property Appraiser's Office

Town of Juno Beach, Florida

Assessed Value of Taxable Property and Tax Rates

Last Ten Fiscal Years

(Rate Per \$1,000 of Assessed Value)

Fiscal Year	Total Assessed Value	Exempt Value	Nonexempt Value	Total Millage Rate	Operating Millage Rate
2006	\$ 1,252,066,692	\$ 259,329,294	\$ 992,737,398	3.4000	3.4000
2007	1,569,691,355	349,369,183	1,220,322,172	3.2000	3.2000
2008	1,570,464,168	327,253,729	1,243,210,439	2.8000	2.8000
2009	1,464,659,532	302,202,934	1,162,456,598	2.8000	2.8000
2010	1,258,973,972	234,908,784	1,024,065,188	2.8000	2.8000
2011	1,125,455,280	191,010,795	934,444,485	2.9000	2.9000
2012	1,104,153,474	184,721,632	919,431,842	2.9000	2.9000
2013	1,115,513,081	184,549,089	930,963,992	2.8786	2.8786
2014	1,146,792,774	189,734,079	957,058,695	2.7990	2.7990
2015	1,277,350,048	235,991,477	1,041,358,571	2.5760	2.5760

Source: Palm Beach County Property Appraiser's Office

Town of Juno Beach, Florida

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(Rate Per \$1,000 of Assessed Value)

Fiscal Year Ending September 30,	Town Direct Rate (1)	Overlapping Rates				Total All
	General Fund	School District	Palm Beach County	Fire / Rescue MSTU #2	Special Taxing Districts	
2006	3.4000	8.4320	4.7677	3.0990	2.8463	22.5450
2007	3.2000	7.8720	4.4775	2.9800	3.0159	21.5454
2008	2.8000	7.3560	3.9813	2.7794	2.7658	19.6825
2009	2.8000	7.2510	3.9656	2.9500	2.8996	19.8662
2010	2.8000	7.9830	4.5614	3.4581	3.1705	21.9730
2011	2.9000	8.1540	4.9960	3.4581	3.2982	22.8063
2012	2.9000	8.1800	4.9925	3.4581	3.0878	22.6184
2013	2.8786	7.7780	4.9902	3.4581	3.0584	22.1633
2014	2.7990	7.5860	4.9852	3.4581	2.9709	21.7992
2015	2.5760	7.5940	4.9729	3.4581	2.9041	21.5051

(1) Town direct rate consists of General Fund ad valorem tax rate. There were no debt service or other direct tax rates applied.

- Tax rate limits - Ten mills per Florida Statute 200.81 (one mill equals \$1 per \$1,000 of assessed valuation). For purposes of the ten mill cap, the Fire/Rescue MSTU #2 millage rate is included with the Town's direct rate.
- Scope of tax rate limit - No municipality shall levy ad valorem taxes for real and tangible personal property in excess of ten mills of the assessed value, except for special benefits and debt service on obligations issued with the approval of those taxpayers subject to ad valorem taxes.
- Taxes assessed - January 1
- Taxes due - March 31
- Taxes delinquent - April 1
- Discount allowed - 4% November; 3% December; 2% January; 1% February
- Delinquent penalties - 2.5% after April 1, increase .5% each ten days; maximum 5%
- Tax collector - Palm Beach County
- Tax collector's commission - None

Town of Juno Beach, Florida

Principal Property Taxpayers

Current Year and Nine Years Ago

	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Town Taxable Assessed Value
Land Resources Investment Co. (NextEra Energy, Inc./Florida Power and Light Company)	\$ 156,221,845	1	15.00%	\$ 86,693,895	1	8.73%
Lifespace Communities, Inc. (The Waterford)	18,336,767	2	1.76%	13,501,153	2	1.36%
Juno Corp. (Villas of Juno Beach)(formerly North)	15,960,284	3	1.53%	9,472,115	4	0.95%
Delray Property Investment, Inc. (Plaza La Mer)	12,100,000	4	1.16%	9,500,000	3	0.96%
Seminole Golf Club (Golf Club)	8,216,980	5	0.79%	7,781,718	5	0.78%
57 307 Alicante Drive Realty Land Trust (Private Residence)	6,947,929	6	0.67%	-	-	-
Fried, Steven & Jill (Private Residence)	6,425,022	7	0.62%	-	-	-
AGGC Real Estate Holdings LLC (Seminole Plaza)	6,082,974	8	0.58%	6,729,491	6	0.68%
Jagi Juno LLC (Holiday Inn)	5,609,087	9	0.54%	-	-	-
Juno Square, LLP (Juno Square Plaza)	5,318,802	10	0.51%	-	-	-
Olen Juno Corp. (Villas of Juno Beach-South)	-	-	-	6,311,277	7	0.64%
Framur Property, Inc. (Fran Murphy Interiors)	-	-	-	5,504,477	8	0.55%
Loggerhead Associates, Ltd. (Loggerhead Plaza)	-	-	-	5,322,358	9	0.54%
Shivam Hospitality Group, Inc. (Hampton Inn)	-	-	-	4,973,759	10	0.50%
Totals	<u>\$ 241,219,690</u>		<u>23.16%</u>	<u>\$ 155,790,243</u>		<u>15.69%</u>

Source: Palm Beach County Property Appraiser's Office

Town of Juno Beach, Florida

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ending September 30,	Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Property Tax Collections	Collections as a Percent of Current Levy
2006	\$ 3,376,194	\$ 3,247,509	96.19%	\$ 340	\$ 3,247,849	96.20%
2007	3,901,472	3,761,625	96.42%	1,752	3,763,377	96.46%
2008	3,483,195	3,355,768	96.34%	312	3,356,080	96.35%
2009	3,246,204	3,132,773	96.51%	5,909	3,138,682	96.69%
2010	2,874,414	2,757,234	95.92%	13,958	2,771,192	96.41%
2011	2,699,385	2,608,360	96.63%	4,492	2,612,852	96.79%
2012	2,664,552	2,517,165	94.47%	42,866	2,560,031	96.08%
2013	2,681,075	2,579,723	96.22%	33,441	2,613,164	97.47%
2014	2,678,966	2,577,035	96.20%	2,388	2,579,423	96.28%
2015	2,683,578	2,574,611	95.94%	7,742	2,582,353	96.23%

Note: All property taxes are assessed and collected by Palm Beach County without charge to the Town. Collections are distributed in full as collected.

Taxpayers are eligible to take a discount of up to 4%, based on date of payment.

Town of Juno Beach, Florida

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	2003 Promissory Note				
2006	\$	599,857	\$ 599,857	N/A	\$ 165
2007		522,725	522,725	N/A	143
2008		442,901	442,901	N/A	121
2009		360,292	360,292	N/A	99
2010		274,799	274,799	N/A	75
2011		186,323	186,323	N/A	59
2012		94,759	94,759	N/A	29
2013		-	-	N/A	-
2014		-	-	N/A	-
2015		-	-	N/A	-

Note: Details about the Town's outstanding debt can be found in the notes to the financial statements. The Town does not have any general bonded debt.

As of April 1, 2013, the Town made the final payment on its Promissory Note, Series 2003 and is debt free.

N/A - Not Available

Town of Juno Beach, Florida

Direct and Overlapping Governmental Activities Debt
September 30, 2015

	Total Outstanding	Percentage Applicable to Town of Juno Beach ⁽¹⁾	Amount Applicable to Town of Juno Beach
Direct:			
Town of Juno Beach	\$ -	100.00%	\$ -
Overlapping			
Palm Beach County ⁽²⁾	141,605,000	0.68%	962,914
Palm Beach County School District ⁽³⁾	17,430,000	0.68%	118,524
Total overlapping debt	159,035,000		1,081,438
Total direct and overlapping debt payable from ad valorem taxes	\$ 159,035,000		\$ 1,081,438
Estimated population			3,240
Total direct and overlapping debt per capita			\$ 333.78

NOTES:

⁽¹⁾ Based on Ratio of Assessed Taxable Values

⁽²⁾ Source: Palm Beach County, Florida, Budget Office

⁽³⁾ Source: Palm Beach County School Board, Finance Department

The Town of Juno Beach has no legal debt margin

Town of Juno Beach, Florida

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Town Population ⁽¹⁾	Town Median Age ⁽¹⁾	County Population ⁽²⁾	County Median Age ⁽²⁾	County Per Capita Personal Income ⁽²⁾	Estimated Total Personal Income ⁽⁵⁾	County School Enrollment ⁽⁴⁾	County Unemployment Rate ⁽³⁾
2006	3,637	60.1	1,287,967	41.8	\$ 44,518	\$ 161,911,966	174,861	3.7%
2007	3,644	60.1	1,295,033	41.7	46,630	169,919,720	171,429	4.8%
2008	3,674	60.1	1,294,654	42.6	55,311	203,212,614	170,745	7.4%
2009	3,656	60.1	1,287,344	42.9	59,147	216,241,432	173,025	11.7%
2010	3,656	60.1	1,320,134	43.5	51,251	187,373,656	172,893	12.4%
2011	3,181	60.1	1,325,758	43.5	53,871	171,363,651	176,901	10.9%
2012	3,233	64.2	1,335,415	43.5	55,628	179,845,324	179,494	9.3%
2013	3,191	64.2	1,345,652	43.5	N/A	N/A	182,899	7.1%
2014	3,194	64.2	1,360,238	43.9	N/A	N/A	186,598	6.0%
2015	3,240	64.2	1,378,417	44.2	N/A	N/A	189,195	5.2%

Note: Population and income data are per calendar year.
Labor Force and Unemployment data are for September of each year.

- (1) Source: University of Florida Bureau of Economic Business Administration and the Florida Estimates of Population.
- (2) Source: Florida Legislature, Office of Economic and Demographic Research. 2010 reflects revised Census information from previous years.
- (3) Source: Florida Department of Labor and Employment Security and Bureau of Labor Market Unemployment Information Labor Statistics Department.
- (4) Source: Florida Department of Education, Education Information and Accountability Services (Fall Enrollment), <http://www.fldoe.org/eias/eiaspubs/default.asp>
- (5) Total personal income information estimated based on per capita personal income for Palm Beach County, Florida.

N/A - information not available.

Town of Juno Beach, Florida

Principal Employers - Palm Beach County

Current Year and Nine Years Ago

Employer	2015 ⁽¹⁾			2006 ⁽¹⁾		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Palm Beach County School District	22,000	1	N/A	21,616	1	N/A
Tenet Healthcare Corp.	6,100	2	N/A	4,794	4	N/A
Palm Beach County	5,507	3	N/A	6,594	2	N/A
NextEra Energy/Florida Power & Light	3,854	4	N/A	2,850	5	N/A
Hospital Corporation of America - HCA	2,714	5	N/A	-	-	-
Florida Atlantic University	2,655	6	N/A	2,825	6	N/A
Bethesda Memorial Hospital	2,600	7	N/A	-	-	-
Veterans Health Administration	2,500	8	N/A	-	-	-
Boca Raton Regional Hospital	2,500	8	N/A	-	-	-
Office Depot (Headquarters)	2,000	10	N/A	-	-	-
Jupiter Medical Center	2,000	10	N/A	-	-	-
Columbia Palm Beach Health Care System	-	-	-	5,200	3	N/A
Boca Raton Resort & Club	-	-	-	2,200	7	N/A
U.S. Sugar Corp.	-	-	-	2,100	8	N/A
Florida Crystals	-	-	-	2,000	9	N/A
The Breakers Hotel	-	-	-	1,800	10	N/A
Totals	<u>54,430</u>		<u>N/A</u>	<u>51,979</u>		<u>N/A</u>

Note: Data is for Palm Beach County, Florida. Employment information for the Town is not available.

(1) Source: Business Development Board of Palm Beach County. Data is for Palm Beach County, Florida, for 2015 and 2006

N/A - Data is not available.

Town of Juno Beach, Florida

Full-time Equivalent Town Government Employees by Function / Program
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Administrative										
Administration	4	4	4	4	4	4	4	4	4	4
Finance	3	3	2	2	2	2	2	2	2	2
Planning and Zoning	5.25	5.25	5.125	5.125	4.5	4.5	4.5	4.5	4.5	4.5
Public Safety										
Police officers	16	16	16	16	16	16	16	16	16	16
911 Dispatch	5	5	5	5	5					
Administrative	1	1	1	1	1	2	2	2	2	2
Public Works	5	5	5	5	5	5	5	5	5	5
Total	39.25	39.25	38.125	38.125	37.5	33.5	33.5	33.5	33.5	33.5

Town of Juno Beach, Florida

Operating Indicators by Function / Program

Last Ten Fiscal Years

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police										
Citations	3,623	3,084	2,049	3,036	1,719	2,073	1,963	1,530	1,354	1,352
Parking violations	106	95	75	140	156	171	187	59	66	46
House checks	2,152	2,738	3,750	1,956	808	692	923	929	1,413	1,141
Business checks	17,255	16,369	20,295	13,048	13,108	13,984	16,224	12,862	11,376	17,929
Reports	854	1,016	909	874	610	664	537	548	567	639
Crash reports	139	120	86	83	90	109	128	112	116	139
Arrests	218	271	175	186	292	226	147	157	131	221
Planning and Zoning										
Number of building permits	570	684	589	602	706	641	706	937	1,215	1,358
Value of building permits	\$12,134,637	\$23,846,562	\$18,560,269	\$10,766,732	\$6,378,658	\$7,369,411	\$6,709,544	\$24,017,342	\$45,491,615	\$41,056,680
Roads and Streets										
Street resurfacing (centerline miles)	0.9	0.0	1.2	0.3	0.0	0.0	0.0	0.0	0.0	0.0

Sources: Town departments

Town of Juno Beach, Florida

Capital Asset Statistics by Function / Program

Last Ten Fiscal Years

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Administrative										
Facilities (Town Center)	1	1	1	1	1	1	1	1	1	1
Planning and Zoning										
Vehicles	2	2	2	2	2	2	2	2	2	2
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	13	15	15	17	20	17	18	15	15	15
Public Works										
Facilities	3	3	3	3	3	3	3	3	3	3
Vehicles	8	8	7	8	7	6	7	7	7	7
Basketball courts	1	1	1	1	1	1	1	1	1	1
Playgrounds	1	1	1	1	1	1	1	1	1	1
Parks	2	2	2	2	2	2	2	2	2	2
Dune walkovers	8	8	8	8	8	8	8	8	8	8
Roads and Streets										
Lane miles	7.8	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0

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Sources: Town departments

**COMPLIANCE REPORT AND
MANAGEMENT LETTER**



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Independent Auditor's 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*

To the Honorable Mayor and
Town Council
Town of Juno Beach
Juno Beach, Florida

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Town of Juno Beach, Florida, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town of Juno Beach, Florida, and have issued our report thereon dated May 11, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

*Cale, Douten, Levine,
Cohen, Porter & Veil, P.A.*

West Palm Beach, Florida
May 11, 2016



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Management Letter

To the Honorable Mayor and
Town Council
Town of Juno Beach
Juno Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Juno Beach, Florida (the "Town"), as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated May 11, 2016.

Auditor's Responsibility

We conducted our audit in accordance with U.S. generally accepted auditing standards; 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 Reports

We have issued our Independent Auditor's 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 Accountant's Report on Investment Compliance on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 11, 2016, 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 included 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 is disclosed in Note A to the financial statements. There were no component units of the Town.

Financial Condition

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the Town has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of 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, as of and for the year ended September 30, 2015.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures as of September 30, 2015. 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 the review of financial information provided by management. The results of our procedures disclosed no matters that are required to be reported.

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the Town for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

*Caleb, Dauter, Levine,
Cohen, Porter & Veil, P.A.*

West Palm Beach, Florida
May 11, 2016



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Independent Accountant's Report on Investment Compliance

To the Honorable Mayor and
Town Council
Town of Juno Beach
Juno Beach, Florida

We have examined the Town of Juno Beach, Florida's (the "Town") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2015. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. 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 the aforementioned requirements for the year ended September 30, 2015.

This report 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, and the Town Council and management of the Town of Juno Beach, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

*Caler, Donten, Levine,
Cohen, Porter & Veil, P.A.*

West Palm Beach, Florida
May 11, 2016