

Comprehensive Annual Financial Report



**Fiscal Year Ended
September 30, 2013**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TOWN OF JUNO BEACH, FLORIDA

Fiscal Year Ended September 30, 2013

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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March 20, 2013

Mayor Morton J. Levine
Vice-Mayor William J. Greene
Vice-Mayor Pro Tem Ellen D. Andel
Councilmember John T. Callaghan
Councilmember James R. Lyons

The Honorable Mayor, Town Council and Citizens:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year 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 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, 2013.

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, 2013 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, 2013 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 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, among other things, for 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 services are currently contracted with Waste Management, Inc. until September 2017.

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 by no later than September 30, the close of the Town of Juno Beach's fiscal year. 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 this wonderful place to live, work, recreate and visit. 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. In 2011, the County made additional improvements including a light vessel boat dock, erosion control and other amenities along the intracoastal waterway.
Pelican Lake Park	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,” 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, single-family homes and condominium units 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 3,191. 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 May) 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.

Recent years were scarred by a disruption of the economic growth and expansion that the Town and the surrounding communities had prospered under during the past several decades. Stabilization and new starts of real estate-related activity are underway and the County’s persuasion of The Scripps Research Institute and bioscience industry spin-offs appear to be 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.

The Town had the following projects that were completed during 2012/2013: the completion of Florida Department of Transportation US Highway One project, which includes drainage improvements, new sidewalks throughout the Town's jurisdictional boundaries along both the east and west sides of the US Highway One right-of-way, various retaining walls and curbing, and new overlay of pavement along US Highway One with enhanced crosswalks at four major intersections in Town (Donald Ross Road, Universe Boulevard, Juno Ocean Walk and Juno Isles Boulevard); and, the completion of improvements to the grease trap systems for restaurant tenants at Plaza La Mer. The Town had the following projects that were started during 2012/2013: the start of construction of 121 condo units that were approved for an existing site development along the intracoastal waterway, Bay Colony, scheduled for completion in 2015; the start of a 16,388 square foot auditorium addition to Florida Power & Light, on their Development of Regional Impact (DRI) campus; and, the previous extensions that were granted for the Estates at Juno Beach lead the project to be purchased by Toll Brother's and was renamed The Preserve at Juno Beach. The project was approved on March 13, 2013, and in August 2013 they started construction of the 29-lot single family home subdivision; the previous extensions that were granted for the four (4) unit townhouse project, Mercury Rising, allowed for the project to start construction on October 1, 2013; and, the start of several new single-family homes throughout Town. The status of other developments that are proposed for 2013/2014 include Ocean Breeze, a 24-unit townhouse project that was approved on December 11, 2013.

Juno Beach is fortunate to have two 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 \$14.3 billion, more than 42,000 megawatts of generating capacity, and nearly 15,000 employees in 26 states and Canada as of year-end 2013. Nearly two-thousand employees work in the Juno Beach headquarters.

In 2013, NextEra Energy, a Fortune 200 company, was named No. 1 in its industry sector for an unprecedented seventh straight year on Fortune magazine's listing of "Most Admired Companies." In that same Fortune survey, the company was named No. 1 in its sector in innovation and No. 1 in social responsibility.

NextEra Energy is the parent company of Florida Power & Light Company (FPL) and NextEra Energy Resources, LLC. FPL serves approximately 4.6 million customer accounts in Florida and is one of the largest rate-regulated electric utilities in the United States. FPL's typical bill is among the lowest in Florida and, based on data available in July 2012, about 26 percent below the national average.

NextEra Energy Resources, LLC, which together with its affiliated entities, is the largest generator in North America 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.

Future Economic Outlook

In April of 2009, the State of Florida reported its first net population decrease since 1946 and Palm Beach County and Juno Beach followed suit. Southeast Florida benefited tremendously from the predictable supply and demand migration to Florida over the past decades. The recent real estate construction and valuation bubble fallout is stabilizing although valuations from the peak are still recovering. Overall, the property value of the Town decreased from \$1,570,464,168 in 2008 to \$1,115,513,081 for Fiscal Year 2013, representing a 28.9% decrease over that time period. Signs of economic growth appear to be materializing in various reporting models and are evident in Town and the surrounding areas.

The real estate and economic issues of recent years have caused changes at various levels of government. The passing of several very costly constitutional amendments in recent years threatened future Revenue Sharing dollars for the Town and other local governments. This situation was exacerbated by the State Government's action to reduce the property tax burden on Florida residential and commercial properties and to restrict the growth of local government spending. These conditions and the State's tendency to shift costs to the local governments will continue to impose trying economic times and tight budgets for the coming years.

While the State has been imposing various legislation and the Town's property values decreased 28.9%, millage rates have remained stable. In fact, our millage rate policy has resulted in annual property tax savings ranging from \$418,000 to \$1,237,000 for Juno Beach property owners since 2007. Some of the reduced revenue base has been supported by a designed shift away from asset based revenues (Ad Valorem Property Taxes) to user based revenues (Utility Services). This policy was developed to help ensure a wider revenue base for the Town. In 2009 and 2010, the Town Council approved ordinances that established and subsequently increased a public service tax on water service to 10%; approved an increase in the utility tax on electricity, gas, and fuel oil from 8% to 10%; and increased the solid waste franchise fee from 2% to 10%. These changes also provide users the potential or incentive to alter their usage and thereby have more control over some of their costs.

Long-term Financial Planning

The Town's minimum fund balance policy for unassigned fund balance has remained stable over the years at 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.

Major Initiatives

In 2012, the Town was awarded a \$30,000 grant through the Flood Mitigation Assistance Program. This grant is federally funded and appropriated by the State of Florida Division of Emergency Management and allowed the Town to create a location specific Floodplain Mitigation Plan. The mitigation plan took 12 months (beginning in February 2013) to identify the hazards and create an action plan with goals and objectives that will be captured in the Town's 5-year Capital Improvement Program. The development of this plan gathered input from local businesses, residents, and Town staff. The intention of the plan is to minimize or even eliminate the loss of life or property when a flood event occurs. This document will serve as a guide to better preserve and protect the insurable buildings (both public and private) within the Town for years to come. Taking the steps to develop a specific flood mitigation plan will provide insurance credits for all property owners that carry flood insurance.

The Town's initiative, along with two neighboring agencies, to consolidate and regionalize police dispatch services was realized in May 2011. The project has helped to reduce and eliminate duplicate operating and capital costs and instituted cost sharing that will continue to benefit the agencies for years to come. Since the original consolidation another agency has joined the regionalized dispatch service center and other agencies are exploring the possibilities.

The Town's police department converted its radio system, records management software and computer aided dispatch to the same systems as our regional dispatch partners during 2011 and 2012. This change was initiated to provide a more cohesive communication and recording system and thereby enhance officer safety for all agencies.

Relevant Financial Policies

The Town has several financial policies including, operating policies, revenue policies, investment policies, contingency policies, budgetary control, debt management and fund balance policies within which it operates. The establishment of specific fund balance policies is an important part of prudent financial management. A fund balance policy reduces ambiguity and guides the creation, maintenance and use of resources for financial stabilization purposes.

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 0.19 percent for the 12-month period ending September 30, 2013. 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: The Town purchases insurance coverage for property damage, 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, 2014 is through Cigna Health and Life Insurance Company. Insurance coverage is evaluated annually by the management of the Town 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, 2012. 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-two 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**

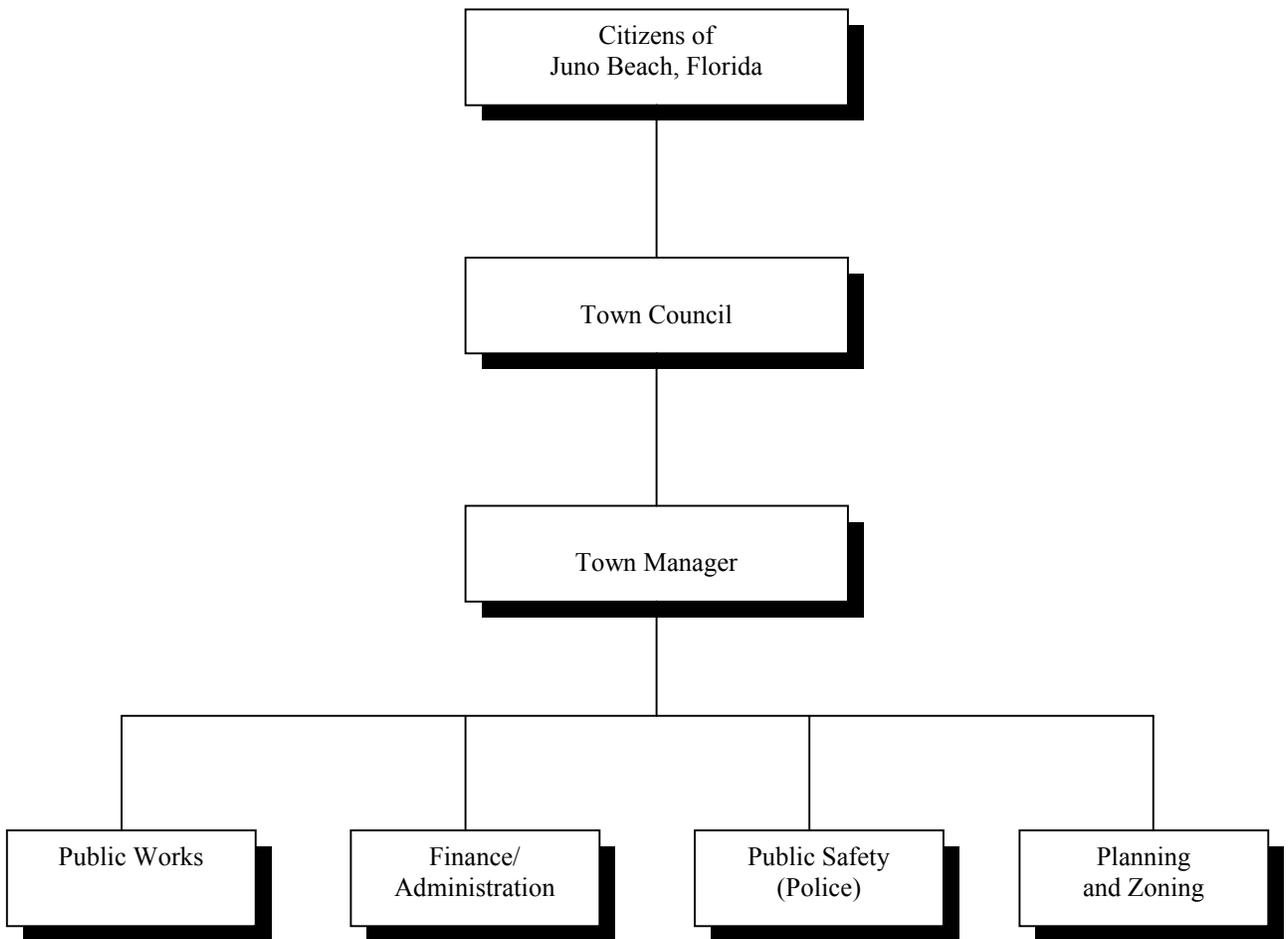
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

TOWN OF JUNO BEACH, FLORIDA

ORGANIZATIONAL CHART





LIST OF PRINCIPAL OFFICIALS
COUNCIL - MANAGER FORM OF GOVERNMENT

TOWN COUNCIL

Morton J. Levine Mayor
William J. Greene Vice Mayor
Ellen D. Andel Vice-Mayor Pro Tem
John T. Callaghan Councilmember
James R. Lyons 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 Dunham Town Clerk
Ruben Cruz, Jr Director of Planning and Zoning
Andrea L. Dobbins Project Coordinator

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

WILLIAM K. CALER, JR., CPA
LOUIS M. COHEN, CPA
JOHN C. COURTNEY, CPA, JD
DAVID S. DONTEN, CPA
JAMES B. HUTCHISON, CPA
JOEL H. LEVINE, CPA
JAMES F. MULLEN, IV, CPA
THOMAS A. PENCE, JR., CPA
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AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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, 2013, 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, 2013, and the respective changes in financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 through 8 and the budgetary comparison information on pages 34 through 36 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 listed in the table of contents 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 March 18, 2014, 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.

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

West Palm Beach, Florida
March 18, 2014

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, 2013. 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, 2013, by \$9,673,426. Of this amount, unrestricted net position of \$3,837,766 may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net position increased by \$147,855 (page 6). 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 \$4,271,104 an increase of \$476,475. Of this amount \$3,034,008 is unassigned and available for spending, \$954,000 has been assigned for the subsequent year's budget and \$54,410 has been assigned for specific projects. 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 79.7% of total general fund expenditures (page 13) or 291 days of available funding.
- The Town of Juno Beach's total debt obligations decreased by \$94,759 which was the final payment due on the Town's Promissory Note, Series 2003. With this final payment on the Town's Promissory Note, Series 2003, the Town is debt-free with no outstanding long-term debt.

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 general government, 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 2013 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 budgetary comparison information. The budgetary comparison for the general fund referred to earlier in connection with governmental funds is presented immediately after the basic financial statements on pages 34 through 36.

Government-Wide Financial Analysis

Net position. Below is a summary of the Statement of Net Position at September 30, 2013 and 2012.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At September 30, 2013, the Town's assets exceeded liabilities by \$9,673,426. The largest portion of the Town's net position (58.4 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, \$180,193 or 1.9 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$3,837,766 or 39.7 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, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Current and other assets	\$ 4,781,962	\$ 4,096,064
Capital assets, net	<u>5,655,467</u>	<u>6,061,638</u>
Total Assets	10,437,429	10,157,702
LIABILITIES		
Long-term liabilities outstanding	253,145	330,696
Other liabilities	<u>510,858</u>	<u>301,435</u>
Total Liabilities	<u>764,003</u>	<u>632,131</u>
NET POSITION		
Net investment in capital assets	5,655,467	5,966,879
Restricted	180,193	74,947
Unrestricted	<u>3,837,766</u>	<u>3,483,745</u>
Total Net Assets	<u>\$ 9,673,426</u>	<u>\$ 9,525,571</u>

Change in Net Position: The table on the following page is a comparative summary of the changes in net position for the years ended September 30, 2013, and 2012:

Town of Juno Beach
Statements of Activities – Governmental Activities
Years Ended September 30, 2013 and 2012

	2013	2012
REVENUES		
Program revenues:		
Charges for services	\$ 1,389,282	\$ 879,781
Operating grants and contributions	45,975	40,868
Capital grants and contributions	142,015	56,499
General revenues:		
Property taxes	2,613,164	2,560,031
Other taxes	968,248	960,609
State shared revenue	357,937	351,969
Investment earnings	21,097	50,445
Total Revenues	5,537,718	4,900,202
 EXPENSES		
Administrative	1,142,579	1,154,942
Planning and zoning	793,315	521,451
Public safety	2,493,518	2,634,853
Public works	958,797	970,024
Interest on long-term debt	1,654	4,896
Total Expenses	5,389,863	5,286,166
Change in net position	147,855	(385,964)
Net position at beginning of year	9,525,571	9,911,535
Net position at end of year	\$ 9,673,426	\$ 9,525,571

The Town's net position increased by \$147,855 or 1.6%. The significant increase in revenues from the prior fiscal year of approximately \$637,500 or 13% can be primarily attributed to the following: (1) Charges for services increased approximately \$510,000 primarily due to the increase in Building permit fees with offsetting decreases to fines from the Safe Streets Program and the solid waste assessment, (2) Capital grants and contributions revenue increased approximately \$86,000 due to the increased impact fee generation from building activity along with a grant award for police radios and substantial private contributions received in support of a community project, (3) Property taxes increased approximately \$53,000 due to the receipt of the current tax levy with an anticipation of less delinquent revenues in the future, and finally, Investment earnings continue to suffer with the current interest rate environment. Expenses increased approximately \$104,000 or 2.0%. The increase in expenses is primarily due to the building permit fees and development related activities with offsets due to continued tightening across all departments.

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, 2013, the Town's General Fund reported ending fund balance of \$4,271,104, which was an increase of \$476,475 in comparison to the prior year. Of this amount, \$3,034,008 (71%) is unassigned fund balance, which is available for spending at the government's discretion. In addition, the Town Council has assigned \$954,000 to be used for subsequent year's expenditures and \$54,410 to be used for specific projects. The remainder of fund balance is non-spendable (\$48,493) or restricted for specific purposes (\$180,193). 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 59.8 percent of total general fund expenditures, while total fund balance represents 84.2 percent of that same amount.

The fund balance of the Town's general fund increased by \$476,475 during the current fiscal year. The key factor in this increase was 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 2013. 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 34 and 35:

- The Town's actual revenues of \$5,551,164 were \$284,329 over budgeted revenues of \$5,266,835. Building permit fees and other development related activities were over budget approximately \$287,000.
- Administrative expenditures were \$787,029 under budget which was mainly due to unused contingency funds.
- Public safety expenditures were \$216,470 under budget which was mainly due to personnel turnover and reduced operating expenses in vehicle maintenance, fuel and training, among others.
- Public works expenditures were \$63,793 under budget which was mainly due to the deferral of capital outlay and building maintenance.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental activities at September 30, 2013, amounts to \$5,655,467 (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 \$127,452 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 one handheld Rapid ID system and replaced one speed enforcement radar.

- Vehicles – The Police department purchased one administrative vehicle and one patrol vehicle and equipment to replace two existing units.
- Public Amenities – Improvements to various roads, parks, grounds, landscapes, irrigation, and beach accesses were completed. Re-thatching of two existing beach-side chickee huts was completed and improvements were started on several public access dune walkovers. A commissioned work of art for a 9/11 remembrance project was 100% funded by donations and was installed on the north lawn of the Town Center complex.
- Buildings – Security access control upgrades were completed in the Police department and Town Center buildings.

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

Long-term debt. At the end of the current fiscal year, the Town had no outstanding long-term debt. The final payment of \$94,759 was made on the Town’s Promissory Note, Series 2003 in 2013.

Additional information on the Town’s long-term debt can be found in Note D of this report.

Economic Factors and Next Year’s Budgets and Rates

For fiscal year 2014, the Town Council adopted a General Fund budget of \$6,233,233 representing a 0.06% decrease from the original budget for fiscal year 2013.

The 2014 fiscal year budget improvement items include a grant for public beach access and dune walkover improvements, one replacement Police patrol vehicle and required equipment. Other items include a virtual server and various computer network hardware and software needs.

The Town has a relatively stable property tax base. Property taxes represent approximately 42% of the 2014 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, 2013

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 3,510,121
Investments	1,078,786
Accounts receivable	53,294
Due from other governments	91,268
Prepaid expenses	48,493
Capital assets	
Capital assets not being depreciated	1,080,260
Capital assets being depreciated, net of accumulated depreciation	<u>4,575,207</u>
Total Assets	10,437,429
LIABILITIES	
Accounts payable	322,148
Accrued liabilities	156,618
Unearned revenue	32,092
Noncurrent liabilities	
Due within one year	13,413
Due in more than one year	216,409
Other postemployment benefits payable	23,323
Total Liabilities	<u>764,003</u>
NET POSITION	
Net investment in capital assets	5,655,467
Restricted for:	
Capital projects	150,338
Law enforcement	29,855
Unrestricted	<u>3,837,766</u>
Total Net Position	<u>\$ 9,673,426</u>

See notes to financial statements.

TOWN OF JUNO BEACH, FLORIDA

STATEMENT OF ACTIVITIES

Year Ended September 30, 2013

Functions/Programs	Expenses	Program Revenues			Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Administrative	\$ 1,142,579	\$ 41,801	\$ 40,055	\$ 24,933	\$ (1,035,790)
Planning and zoning	793,315	798,146	-	-	4,831
Public safety	2,493,518	483,059	1,702	55,657	(1,953,100)
Public works	958,797	66,276	4,218	61,425	(826,878)
Interest on long-term debt	1,654	-	-	-	(1,654)
Total Governmental Activities	\$ 5,389,863	\$ 1,389,282	\$ 45,975	\$ 142,015	(3,812,591)

General revenues

Taxes

Property taxes	2,613,164
Franchise fees	53,049
Utility service taxes	858,189
Local business taxes	57,010
State shared revenue, unrestricted	357,937
Investment earnings	21,097

Total General Revenues 3,960,446

Change in Net Position 147,855

Net Position at October 1, 2012 9,525,571

Net Position at September 30, 2013 \$ 9,673,426

See notes to financial statements.

TOWN OF JUNO BEACH, FLORIDA
BALANCE SHEET - GENERAL FUND
September 30, 2013

ASSETS

Cash and cash equivalents		\$ 3,510,121
Investments		1,078,786
Accounts receivable		53,294
Due from other governments		91,268
Prepaid items		<u>48,493</u>
	Total Assets	<u><u>\$ 4,781,962</u></u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

LIABILITIES

Accounts payable		\$ 322,148
Accrued liabilities		<u>156,618</u>
	Total Liabilities	478,766

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue		32,092
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FUND BALANCE

Nonspendable:		
Prepaid items		48,493
Restricted for:		
Capital projects		150,338
Law enforcement		29,855
Assigned for:		
Subsequent year's budget		954,000
Specific projects		54,410
Unassigned		<u>3,034,008</u>
	Total Fund Balance	<u><u>4,271,104</u></u>

Total Liabilities , Deferred Inflows of Resources and Fund Balance		<u><u>\$ 4,781,962</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, 2013

Total General Fund Fund Balance	\$ 4,271,104
<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	11,024,991
Less accumulated depreciation	(5,369,524)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Compensated absences	(229,822)
Other postemployment benefits payable	(23,323)
	<hr/>
Net Position of Governmental Activities	\$ 9,673,426
	<hr/> <hr/>

See notes to financial statements.

TOWN OF JUNO BEACH, FLORIDA

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCE - GENERAL FUND

Year Ended September 30, 2013

Revenue

Ad valorem taxes	\$ 2,613,164
Local business taxes	57,010
Licenses, permits and fees	797,869
Intergovernmental	357,937
Franchise fees and utility taxes	911,238
Fines	453,648
Investment earnings	21,097
Impact fees	28,379
Grants	64,711
Water and sewer improvement fees	11,625
Miscellaneous	216,822
	<u>5,533,500</u>

Expenditures

Current	
Administrative	982,997
Planning and zoning	782,026
Public safety	2,369,968
Public works	715,833
Capital outlay	127,452
Debt service	
Principal	94,759
Interest	1,654
	<u>5,074,689</u>

Revenues in excess of expenditures 458,811

Other Financing Sources

Insurance proceeds	4,218
Sale of capital assets	13,446
	<u>17,664</u>

Total other financing sources 17,664

Net change in fund balance 476,475

Fund balance at October 1, 2012 3,794,629

Fund balance at September 30, 2013 \$ 4,271,104

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, 2013

Net change in fund balance - General Fund	\$ 476,475
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
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	127,452
Less current year depreciation	(498,849)
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.	
	(34,774)
The repayment of long-term debt consumes the current financial resources of the General Fund. However, these transactions do not have any effect on net assets of the governmental activities.	
Long-term debt repayments:	
Promissory note payable	94,759
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	(17,279)
Other postemployment benefits	71
	<hr/>
Change in net position of governmental activities	<u><u>\$ 147,855</u></u>

See notes to financial statements.

TOWN OF JUNO BEACH, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND

September 30, 2013

	<u>Pension Trust</u>
ASSETS	
Investments in mutual funds	\$ 346,448
LIABILITIES	
	<u>-</u>
NET POSITION	
Net position restricted for pension benefits	<u>\$ 346,448</u>

See notes to financial statements.

TOWN OF JUNO BEACH, FLORIDA

STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION - FIDUCIARY FUND

Year Ended September 30, 2013

	<u>Pension Trust</u>
ADDITIONS	
Contributions	
Town	\$ 37,598
Investment earnings	
Net appreciation in fair value of plan assets	24,870
Dividend income	7,734
	<u>32,604</u>
Net investment earnings	
	<u>70,202</u>
DEDUCTIONS	
General and administrative	1,879
Distributions	146,680
	<u>148,559</u>
Total deductions	
	<u>(78,357)</u>
Net decrease	
Net position restricted for pension	
benefits at October 1, 2012	<u>424,805</u>
	<u>424,805</u>
Net position restricted for pension	
benefits at September 30, 2013	<u>\$ 346,448</u>

See notes to financial statements.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

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, 2013

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, 2013, 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 (2011/2012) property tax revenue.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

The percentage adjustment was 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, 2013, the Town adopted a 2.8786 millage rate (\$2.8786 per \$1,000 of assessed value) which was the rolled back rate. This millage rate resulted in a budgeted tax levy of \$2,589,737 for 2013, representing an increase of 0.62% from the budgeted property tax levy in 2012. 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 occupational licenses and other fees 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 (formerly known as the Local Government Investment Pool (LGIP)), an external investment pool administered by the State of Florida and operating as a "2a7-

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 licenses and permits 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, 2013. 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 will sometimes 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 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

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

(revenues) until that time. The Town has one 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 license fees received by the Town in advance of the year to which they apply. 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:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. 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 position component as the unspent proceeds.

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, \$150,338 is restricted by enabling legislation.

Unrestricted – This component of net position consists of the net position that does not meet the definition of *Net 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 balances. 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 balances include 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 balances include 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, \$150,338 is restricted by enabling legislation.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Committed - Committed fund balances include 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 - Unassigned fund balances include amounts that are not assigned to other funds and 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 Assumptions - 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 deductibles are reviewed annually by management and established at amounts to provide reasonable

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Recent Accounting Pronouncements: The Town implemented the following GASB Statements for the fiscal year ended September 30, 2013.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, codifies all sources of GAAP for state and local governments so that the authoritative accounting and financial reporting literature will be together in a single source, with that guidance modified as necessary to appropriately recognize the governmental environment and the needs of governmental financial statement users. The Town elected to include all pre-November 30, 1989 FASB pronouncements, which are now codified in GASB Statement No. 62.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides guidance for deferred outflows and deferred inflows of resources and identifies *net position* as the residual of all other elements presented in a statement of financial position. This Statement re-defines certain assets and liabilities as deferred outflows / inflows of resources and requires the financial statement line items "Investment in capital assets, net of related debt" and "Net Assets" to be re-titled as "Net investment in capital assets" and "Net Position", respectively.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, provides additional guidance for the accounting and financial reporting for deferred outflows / inflows of resources and certain items that were previously reported as assets, as set forth in GASB Statement No. 63. This Statement specifically addresses the calculation of a deferred outflow or inflow related to the refunding of debt and requires that debt issuance costs be expensed in the period the debt was issued. This Statement also requires that taxes and lease revenues received prior to the period to which they relate, are to be classified as *unavailable revenues* (a deferred inflow of resources).

The implementation of these GASB Statements had no effect on the beginning net position of the Town at October 1, 2012.

The GASB has issued the following Statements effective in future years. 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. 66, *Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62*, amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. This Statement also amends Statement No. 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. The requirements of this statement will be effective for the Town for the fiscal year ending September 30, 2014.

GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*, provides accounting and financial reporting requirements related to pensions for governments whose employees are provided with 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. The requirements of this statement will be effective for the Town for the fiscal year ending September 30, 2014.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, provides accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans. The Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expenses/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The requirements of this statement will be effective for the Town for the fiscal year ending September 30, 2015.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement distinguishes between a government merger and a government acquisition and also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. The requirements of this statement will be effective for the Town for the fiscal year ending September 30, 2015.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, provides accounting and financial reporting standards related to nonexchange financial guarantees. The Statement establishes guidance on when a nonexchange financial guarantee is required to be recognized as a liability by the government. The requirements of this statement will be effective for the Town for the fiscal year ending September 30, 2014.

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. The requirements of this statement will be effective for the Town upon adoption of Statement No. 68 for the fiscal year ending September 30, 2015.

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.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents: Cash and cash equivalents at September 30, 2013, include \$1,350 of petty cash and deposits with financial institutions with a bank balance of \$3,515,067 and a carrying amount of \$3,508,771. The deposits with financial institutions were entirely covered by 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 the 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 the Government National Mortgage Association 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, 2013, is as follows:

Florida Prime fund	\$	1,024
Investments in Florida Municipal Investment Trust		
0-2 Year High Quality Bond Fund		205,669
1-3 Year High Quality Bond Fund		395,798
Intermediate High Quality Bond Fund		<u>476,295</u>
	\$	<u>1,078,786</u>
 <u>General Employees Retirement Plan and Trust Fund</u>		
Mutual Funds		
Equity funds	\$	249,987
Fixed income funds		23,363
Money market funds		67,364
Real estate fund		<u>5,734</u>
	\$	<u>346,448</u>

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

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

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 Trust has adopted GASB Statement No. 31 and 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 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, 2013, is 44 days. The table below summarizes the weighted average maturity of the Town's other fixed income investments at September 30, 2013.

	<u>Weighted Average Maturity</u>	<u>Fair Value</u>
<u>Governmental Fund Investments</u>		
0-2 Year High Quality Bond Fund	0.68 years	\$ 205,669
1-3 Year High Quality Bond Fund	1.52 years	395,798
Intermediate High Quality Bond Fund	3.71 years	476,295
<u>Pension Trust Fund Investments</u>		
Vanguard Total Bond Market Index Fund	7.40 years	11,216
Vanguard Intermediate Term Bond Index Fund	7.30 years	<u>12,147</u>
		<u>\$ 1,101,125</u>

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

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

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, 2013.

The NRSRO ratings (Fitch) for the governmental fund investments at September 30, 2013, are listed below. The fixed income and money market mutual funds included in the pension trust fund investments were unrated.

<u>Governmental Fund</u>	<u>NRSRO Rating</u>	<u>Fair Value</u>
0-2 Year High Quality Bond Fund	AAA	\$ 205,669
1-3 Year High Quality Bond Fund	AAA	395,798
Intermediate High Quality Bond Fund	AAA	<u>476,295</u>
		<u>\$ 1,077,762</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 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, 2013.

NOTE C - CAPITAL ASSETS

The Town's capital asset activity for the year ended September 30, 2013, was as follows:

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE C - CAPITAL ASSETS (Continued)

<i>Governmental Activities</i>	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	4,703,959	20,515	(46,203)	4,678,271
Equipment and vehicles	2,074,660	106,937	(166,914)	2,014,683
Streets and lighting	<u>3,251,777</u>	<u>-</u>	<u>-</u>	<u>3,251,777</u>
Total capital assets being depreciated	10,030,396	127,452	(213,117)	9,944,731
Less accumulated depreciation for				
Buildings and improvements	(2,403,118)	(200,497)	28,878	(2,574,737)
Equipment and vehicles	(1,237,709)	(177,736)	149,465	(1,265,980)
Streets and lighting	<u>(1,408,191)</u>	<u>(120,616)</u>	<u>-</u>	<u>(1,528,807)</u>
Total accumulated depreciation	<u>(5,049,018)</u>	<u>(498,849)</u>	<u>178,343</u>	<u>(5,369,524)</u>
Total capital assets being depreciated, net	<u>4,981,378</u>	<u>(371,397)</u>	<u>(34,774)</u>	<u>4,575,207</u>
Governmental activities capital assets, net	<u>\$ 6,061,638</u>	<u>\$ (371,397)</u>	<u>\$ (34,774)</u>	<u>\$ 5,655,467</u>

Depreciation expense was charged to functions/programs as follows:

<i>Governmental Activities</i>	
General government	\$ 121,225
Planning and zoning	5,559
Public safety	129,998
Public works	<u>242,067</u>
Total depreciation expense - governmental activities	<u>\$ 498,849</u>

NOTE D - LONG-TERM DEBT

Changes in the Town's governmental activities long-term debt for the year ended September 30, 2013, are summarized as follows:

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE D - LONG-TERM DEBT (Continued)

<u>Governmental Activities</u>	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at End of Year</u>	<u>Amounts Due Within One Year</u>
Compensated absences	\$ 212,543	\$ 264,049	\$ (246,770)	\$ 229,822	\$ 13,413
Promissory Note, Series 2003	<u>94,759</u>	<u>-</u>	<u>(94,759)</u>	<u>-</u>	<u>-</u>
Total long-term debt	307,302	<u>\$ 264,049</u>	<u>\$ (341,529)</u>	229,822	<u>\$ 13,413</u>
Current maturities	<u>102,920</u>			<u>13,413</u>	
Net long-term debt	<u>\$ 204,382</u>			<u>\$ 216,409</u>	

Promissory Note, Series 2003

On April 14, 2003, the Town borrowed \$816,988 under a Promissory Note, Series 2003, at an interest rate of 3.49%, to currently refund the Town's Public Improvement Revenue Refunding Bonds, Series 1993. In addition to the proceeds of the promissory note, the Town also used approximately \$116,000 of Series 1993 sinking fund monies to complete the refunding. The advance refunding of the Series 1993 bonds decreased the aggregate debt service payments of the Town by approximately \$135,000 over the life of the bonds and produced an economic loss (the difference between the present value of the old and new debt service payments) of approximately \$15,000. Principal payments were due each April 1 and interest payments were due each April 1 and October 1 through April 1, 2013. Total interest costs paid and expensed during the fiscal year ended September 30, 2013 totaled \$1,654. The Series 2003 promissory note was paid in full during 2013.

NOTE E - PENSION PLANS

Florida Retirement System

Plan Description: As of September 30, 2013, all full-time Town employees hired before January 1, 1996, and all Town police officers are required to participate in the Florida Retirement System (the "System") administered by the Florida Department of Management Services, Division of Retirement. The System is a cost-sharing, multiple-employer, defined benefit, public employee retirement system that provides retirement, death and disability benefits to plan members and beneficiaries. Pension benefits of the System are established by Florida Statutes, Chapter 121, and may be amended by the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Florida Department of Management Services, Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling 1-850-488-5540.

Funding Policy: Plan members are required to contribute 3 percent of their salary to the System. The Town is currently required to contribute 6.95 percent of regular participants' salaries, 18.31 percent of the

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE E - PENSION PLANS (Continued)

Town Manager's salary and 19.06 percent of police officers' salaries to the System. The contribution requirement for plan members and participating governments is established by State statutes. The Town's contributions to the System for the years ended September 30, 2013, 2012, and 2011 were \$208,963, \$185,485, and \$296,425, respectively, and were equal to the required contributions for each year.

General Employees Retirement Plan and Trust Fund

The Town provides pension benefits for all full-time and eligible part-time, general employees hired after January 1, 1996, through a defined contribution pension plan administered by the Town through the Florida League of Cities, Inc. At September 30, 2013, there were 12 plan members. Plan members do not contribute to the Plan. The Town is required to contribute 6% of annual covered payroll. The total required contribution for 2013 was \$37,598. 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 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, 2013, was \$346,448.

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").

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

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

members receiving benefits contribute 100% of the monthly premium ranging from a minimum of \$438 to a maximum of \$1,219.

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, 2013, were based on an actuarial valuation as of January 1, 2014, and are summarized as follows:

Annual required contribution	\$ 13,000
Interest on net OPEB obligation	1,000
Adjustment to annual required contribution	<u>(2,000)</u>
Annual OPEB cost	12,000
Contributions made	<u>(12,071)</u>
Decrease in net OPEB obligation	(71)
Net OPEB obligation, beginning of year	<u>23,394</u>
 Net OPEB obligation, end of year	 <u><u>\$ 23,323</u></u>

The year ended September 30, 2011, was the year of implementation of Statement 45 and the Town elected to implement prospectively. The Town's annual OPEB cost, employer contribution, the percentage of annual OPEB cost contributed, and the net OPEB obligation for 2013 and the prior two years are as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
9-30-13	\$ 12,000	\$ 12,071	100.6%	\$ 23,323
9-30-12	9,000	4,606	51.2%	23,394
9-30-11	9,000	0	0.0%	19,000

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 January 1, 2014, 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 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:

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

<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>
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 January 1, 2014, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), and an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 5.0% after six years. Both rates included a 2.75% inflation assumption. The actuarial value of assets will be determined using fair value. The UAAL will be amortized as a level dollar payment on an open basis. The remaining amortization period is 15 years.

Certain assumptions were changed in the actuarial valuation as of January 1, 2014. The changes are as follows: (1) the mortality basis has been changed from the Table projected to 2007 to the 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 has been 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 a defendant in various lawsuits and an Equal Employment Opportunity Commission (EEOC) complaint arising in the ordinary course of normal operations. Although the outcome of these suits and complaints cannot be determined at the present time, it is the opinion of

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE G - COMMITMENT AND CONTINGENCIES (Continued)

management, based upon consultation with legal counsel, that the outcome of these actions will not materially affect the financial position of the Town.

The Town was also a defendant in a class action lawsuit claiming that the Town's speed and traffic enforcement ordinance is pre-empted by Florida statutes and is unconstitutional. The suit requested a return of the fines and penalties that had been paid by violators. Subsequent to September 30, 2013, the Town entered into a Stipulation and Agreement of Settlement whereby the Town agreed to a maximum settlement amount of \$318,596 plus up to \$5,000 in administration costs. Subsequent to year end, the Town deposited \$323,596 with an independent trustee to administer the suit. Under the terms of the agreement, the trustee will pay \$25 per person that files a claim for reimbursement of fines paid, and the trustee will pay these amounts plus attorney fees from the amount deposited by the Town and another defendant. Once all individuals and attorneys have been paid, the trustee will return the unspent funds to the Town, if any. Since there is no way of estimating the final obligation of the Town, no amounts have been recorded in the accompanying financial statements as of September 30, 2013.

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 \$86,958 for the year ended September 30, 2013.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF JUNO BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year Ended September 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue				
Ad valorem taxes	\$ 2,589,737	\$ 2,589,737	\$ 2,613,164	\$ 23,427
Local business taxes	60,000	60,000	57,010	(2,990)
Licenses, permits and fees				
Building permit fees	515,000	515,000	756,173	241,173
County occupational licenses	12,500	12,500	7,058	(5,442)
Zoning fees	17,500	17,500	34,638	17,138
	<u>545,000</u>	<u>545,000</u>	<u>797,869</u>	<u>252,869</u>
Intergovernmental				
Sales tax	214,206	214,206	218,849	4,643
State revenue sharing	70,533	70,533	72,298	1,765
Local option gas tax	51,886	51,886	49,507	(2,379)
Alcoholic beverage licenses	6,200	6,200	5,365	(835)
Other	17,900	17,900	11,918	(5,982)
	<u>360,725</u>	<u>360,725</u>	<u>357,937</u>	<u>(2,788)</u>
Franchise fees and utility taxes				
Franchise fees	57,500	57,500	53,049	(4,451)
Utility taxes	454,500	454,500	488,050	33,550
Communications service taxes	353,986	353,986	370,139	16,153
	<u>865,986</u>	<u>865,986</u>	<u>911,238</u>	<u>45,252</u>
Fines	510,000	510,000	453,648	(56,352)
Investment earnings	92,500	92,500	21,097	(71,403)
Impact fees	-	-	28,379	28,379
Grants	80,000	80,000	64,711	(15,289)
Water and sewer improvement fees	22,000	22,000	11,625	(10,375)
Miscellaneous	140,887	140,887	234,486	93,599
Total revenue	<u>\$ 5,266,835</u>	<u>\$ 5,266,835</u>	<u>\$ 5,551,164</u>	<u>\$ 284,329</u>

See notes to budgetary comparison schedule.

TOWN OF JUNO BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)

Year Ended September 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures				
Administrative				
Salaries	\$ 512,672	\$ 512,672	\$ 502,433	\$ 10,239
Employee benefits	117,452	117,452	118,904	(1,452)
Professional fees	74,763	79,763	71,407	8,356
Insurance	175,500	175,500	173,695	1,805
Operating	142,437	145,932	122,058	23,874
Contingency	947,207	741,699	-	741,699
Capital outlay	5,000	5,000	2,492	2,508
	<u>1,975,031</u>	<u>1,778,018</u>	<u>990,989</u>	<u>787,029</u>
Planning and zoning				
Salaries	231,241	231,241	222,752	8,489
Employee benefits	67,766	67,766	60,826	6,940
Professional fees	52,500	92,500	90,768	1,732
Operating	327,666	427,666	407,680	19,986
Capital outlay	5,000	5,000	1,715	3,285
	<u>684,173</u>	<u>824,173</u>	<u>783,741</u>	<u>40,432</u>
Public safety				
Police				
Salaries	1,331,261	1,331,261	1,214,988	116,273
Employee benefits	472,152	472,152	412,484	59,668
Professional fees	426,500	431,500	428,545	2,955
Operating	352,590	357,005	313,951	43,054
Capital outlay	86,000	96,000	101,480	(5,480)
	<u>2,668,503</u>	<u>2,687,918</u>	<u>2,471,448</u>	<u>216,470</u>
Public works				
Salaries	314,734	314,734	309,078	5,656
Employee benefits	88,882	88,882	84,953	3,929
Operating	349,087	349,087	321,802	27,285
Capital outlay	60,000	97,598	70,675	26,923
	<u>812,703</u>	<u>850,301</u>	<u>786,508</u>	<u>63,793</u>
Debt service				
Principal	94,759	94,759	94,759	-
Interest	1,666	1,666	1,654	12
	<u>96,425</u>	<u>96,425</u>	<u>96,413</u>	<u>12</u>
Total expenditures	<u>\$ 6,236,835</u>	<u>\$ 6,236,835</u>	<u>\$ 5,129,099</u>	<u>\$ 1,107,736</u>

See notes to budgetary comparison schedule.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULE

September 30, 2013

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	\$ 5,533,500	\$ 5,074,689
Current year encumbrances		54,410
Insurance proceeds	4,218	
Proceeds from sale of capital assets	<u>13,446</u>	
Budgetary basis	<u>\$ 5,551,164</u>	<u>\$ 5,129,099</u>

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 Trends37

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 44

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

Debt Capacity.....49

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..... 51

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.....53

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 3,676,243	\$ 3,775,519	\$ 6,301,071	\$ 6,521,582	\$ 7,035,344	\$ 6,857,879	\$ 6,534,685	\$ 6,240,716	\$ 5,966,879	\$ 5,655,467
Restricted	124,925	132,837	91,973	84,839	96,598	64,789	32,950	78,370	74,947	180,193
Unrestricted	3,019,194	3,407,310	3,182,740	3,764,709	3,530,236	4,070,391	4,086,721	3,592,449	3,483,745	3,837,766
Total governmental activities net position	<u>\$ 6,820,362</u>	<u>\$ 7,315,666</u>	<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>

Town of Juno Beach, Florida

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
Administrative	\$ 968,533	\$ 1,093,837	\$ 1,219,721	\$ 1,337,342	\$ 1,387,894	\$ 1,121,538	\$ 1,121,479	\$ 1,223,815	\$ 1,154,942	\$ 1,142,579
Planning and zoning	300,530	387,411	439,946	859,743	799,238	646,044	546,681	563,692	521,451	793,315
Public safety	1,737,400	1,838,717	1,918,967	2,140,509	2,215,011	2,377,361	2,572,704	2,701,459	2,634,853	2,493,518
Public works	675,530	825,802	843,119	892,465	976,761	1,015,757	1,018,693	1,019,597	970,024	958,797
Interest on long-term debt	27,695	24,931	22,236	19,581	16,827	14,016	11,133	8,038	4,896	1,654
Total governmental activities expenses	<u>\$ 3,709,688</u>	<u>\$ 4,170,698</u>	<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>
Program Revenues										
Governmental activities:										
Charges for services:										
Administrative	\$ 87,261	\$ 114,314	\$ 111,268	\$ 116,656	\$ 118,666	\$ 32,474	\$ 38,152	\$ 24,963	\$ 30,159	\$ 41,801
Planning and zoning	45,904	33,036	29,140	508,203	445,992	315,608	254,588	239,265	220,981	798,146
Public safety	105,114	70,516	99,524	60,644	52,192	563,225	371,507	276,737	544,424	483,059
Public works	39,461	47,450	48,755	50,810	71,967	75,243	76,757	79,174	84,217	66,276
Operating grants and contributions:										
Administrative	28,850	24,300	1,925	4,850	600	5,055	4,109	3,441	7,477	40,055
Public safety	80,810	28,030	28,586	23,709	28,721	99,517	32,997	21,445	4,053	1,702
Public works		211,702	148,832	85,327	137,741	30,735	13,467	25,532	29,338	4,218
Capital grants and contributions:										
Administrative	22,372	24,669	2,649	3,298	8,263	873	464	-	1,473	24,933
Public safety	23,850	46,323	136,315	56,661	26,831	20,178	18,964	15,025	15,871	55,657
Public works	61,545	12,064	1,393,005	107,094	312,521	3,723	3,651	100,193	39,155	61,425
Total governmental activities program revenues	<u>\$ 495,167</u>	<u>\$ 612,404</u>	<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>
Net (expense)/revenue										
Governmental activities	<u>\$ (3,214,521)</u>	<u>\$ (3,558,294)</u>	<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>

(Continued)

Town of Juno Beach, Florida

Changes in Net Position (Continued)

Last Ten Fiscal Years

Accrual Basis of Accounting

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 2,362,268	\$ 2,817,394	\$ 3,247,849	\$ 3,763,377	\$ 3,356,080	\$ 3,138,682	\$ 2,771,192	\$ 2,612,852	\$ 2,560,031	\$ 2,613,164
Franchise fees	9,966	6,444	8,433	9,744	13,294	13,596	57,452	56,331	59,072	53,049
Utility service taxes	586,143	661,739	606,054	580,503	553,411	878,559	760,821	821,086	843,025	858,189
Local business taxes	-	-	-	-	-	-	56,692	57,372	58,512	57,010
State shared revenue, unrestricted	388,681	449,101	435,539	413,902	390,735	354,138	363,950	382,536	351,969	357,937
Investment earnings	57,814	118,920	202,118	260,208	169,765	163,989	107,224	57,828	50,445	21,097
Special item - proceeds from termination of pension plan	-	-	204,115	-	-	-	-	-	-	-
Total governmental activities	<u>\$ 3,404,872</u>	<u>\$ 4,053,598</u>	<u>\$ 4,704,108</u>	<u>\$ 5,027,734</u>	<u>\$ 4,483,285</u>	<u>\$ 4,548,964</u>	<u>\$ 4,117,331</u>	<u>\$ 3,988,005</u>	<u>\$ 3,923,054</u>	<u>\$ 3,960,446</u>
Changes in Net Position										
Governmental activities	<u>\$ 190,351</u>	<u>\$ 495,304</u>	<u>\$ 2,260,118</u>	<u>\$ 795,346</u>	<u>\$ 291,048</u>	<u>\$ 520,879</u>	<u>\$ (338,703)</u>	<u>\$ (742,821)</u>	<u>\$ (385,964)</u>	<u>\$ 147,855</u>

Town of Juno Beach, Florida

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2004	2005	2006	2007
General Fund				
Reserved	\$ 263,619	\$ 442,685	\$ 294,915	\$ 710,235
Unreserved	3,039,120	3,373,836	3,229,402	3,352,418
Nonspendable:				
Prepaid items	-	-	-	-
Restricted for:				
Capital projects	-	-	-	-
Law enforcement	-	-	-	-
Assigned to:				
Subsequent year's budget	-	-	-	-
Law enforcement	-	-	-	-
Specific projects	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 3,302,739</u>	<u>\$ 3,816,521</u>	<u>\$ 3,524,317</u>	<u>\$ 4,062,653</u>

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

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 255,424	\$ 210,592	\$ 145,972	\$ -	\$ -	\$ -
3,560,924	4,117,333	4,205,376	-	-	-
-	-	-	45,605	45,820	48,493
-	-	-	45,076	46,709	150,338
-	-	-	33,294	28,238	29,855
-	-	-	900,000	970,000	954,000
-	-	-	92,500	-	-
-	-	-	-	-	54,410
-	-	-	2,780,475	2,703,862	3,034,008
<u>\$ 3,816,348</u>	<u>\$ 4,327,925</u>	<u>\$ 4,351,348</u>	<u>\$ 3,896,950</u>	<u>\$ 3,794,629</u>	<u>\$ 4,271,104</u>

Town of Juno Beach, Florida

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2004	2005	2006	2007
Revenues				
Ad valorem taxes	\$ 2,362,268	\$ 2,817,394	\$ 3,247,849	\$ 3,763,377
Local business taxes				
Licenses, permits and fees	117,477	104,720	102,247	580,890
Intergovernmental	416,303	449,101	435,539	413,902
Franchise fees and utility taxes	586,143	668,183	614,487	590,247
Fines	105,114	70,516	99,524	60,644
Investment earnings	57,814	118,920	202,118	260,208
Impact fees	24,795	29,321	3,031	3,785
Grants	56,615	240,745	1,611,004	210,041
Water and sewer improvement fees	28,850	24,300	1,925	4,850
Miscellaneous	144,660	142,802	127,758	157,042
Total revenues	<u>3,900,039</u>	<u>4,666,002</u>	<u>6,445,482</u>	<u>6,044,986</u>
Expenditures				
Current				
Administrative	847,357	948,084	1,016,586	1,228,161
Planning and zoning	294,301	370,044	433,419	853,204
Public safety	1,649,265	1,675,090	1,805,605	2,030,195
Public works	589,098	696,234	740,607	695,050
Capital outlay	393,165	365,820	2,903,327	603,327
Debt service				
Principal	70,583	72,017	74,531	77,132
Interest	27,695	24,931	22,236	19,581
Total expenditures	<u>3,871,464</u>	<u>4,152,220</u>	<u>6,996,311</u>	<u>5,506,650</u>
Revenues over (under) expenditures	28,575	513,782	(550,829)	538,336
Other financing sources				
Insurance recoveries	-	-	54,510	-
Sale of capital assets	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>54,510</u>	<u>-</u>
Special item - proceeds from termination of pension plan	<u>-</u>	<u>-</u>	<u>204,115</u>	<u>-</u>
Net change in fund balances	<u>\$ 28,575</u>	<u>\$ 513,782</u>	<u>\$ (292,204)</u>	<u>\$ 538,336</u>
Debt service as a percentage of non-capital expenditures	<u>2.83%</u>	<u>2.56%</u>	<u>2.36%</u>	<u>1.97%</u>

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 3,356,080	\$ 3,138,682	\$ 2,771,192	\$ 2,612,852	\$ 2,560,031	\$ 2,613,164
-	53,616	56,692	57,372	58,512	57,010
459,990	340,095	246,942	239,473	219,518	797,869
390,735	354,138	363,950	382,536	351,969	357,937
566,705	648,541	818,273	877,417	902,097	911,238
52,192	537,263	348,147	268,499	532,855	453,648
169,765	163,989	107,224	57,828	50,445	21,097
9,589	968	514	-	1,633	28,379
471,099	93,301	26,000	117,711	38,070	64,711
600	2,100	1,400	500	2,350	11,625
142,463	172,904	191,653	212,288	153,384	216,822
<u>5,619,218</u>	<u>5,505,597</u>	<u>4,931,987</u>	<u>4,826,476</u>	<u>4,870,864</u>	<u>5,533,500</u>
1,202,653	973,935	989,440	974,177	936,567	982,997
788,672	637,020	534,958	554,060	526,130	782,026
2,074,665	2,226,855	2,390,887	2,554,653	2,501,558	2,369,968
743,282	768,689	765,327	764,203	722,317	715,833
1,027,161	290,896	131,326	337,267	223,691	127,452
79,824	82,609	85,493	88,476	91,564	94,759
16,827	14,016	11,133	8,038	4,896	1,654
<u>5,933,084</u>	<u>4,994,020</u>	<u>4,908,564</u>	<u>5,280,874</u>	<u>5,006,723</u>	<u>5,074,689</u>
(313,866)	511,577	23,423	(454,398)	(135,859)	458,811
-	-	-	-	29,338	4,218
-	-	-	-	4,200	13,446
-	-	-	-	33,538	17,664
-	-	-	-	-	-
<u>\$ (313,866)</u>	<u>\$ 511,577</u>	<u>\$ 23,423</u>	<u>\$ (454,398)</u>	<u>\$ (102,321)</u>	<u>\$ 476,475</u>
<u>1.97%</u>	<u>2.05%</u>	<u>2.02%</u>	<u>1.95%</u>	<u>2.02%</u>	<u>1.95%</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			
2004	\$ 780,992,479	\$ 48,101,544	\$ 829,094,023	3.5000	\$ 872,730,550	95.0%
2005	983,157,664	51,148,374	1,034,306,038	3.5000	1,088,743,198	95.0%
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%

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
2004	\$ 829,094,023	\$ 128,622,887	\$ 700,471,136	3.5000	3.5000
2005	1,034,306,038	199,088,603	835,217,435	3.5000	3.5000
2006	1,252,066,692	259,329,294	992,737,398	3.4000	3.4000
2007	1,568,567,779	349,369,183	1,219,198,596	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

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	Overlapping Rates				Total All
	General Fund	School District	Palm Beach County	Fire/ Rescue MSTU #2	Special Taxing Districts	
2004	3.5000	8.7790	4.8084	3.0500	3.0052	23.1426
2005	3.5000	8.5710	4.7910	3.1990	3.0357	23.0967
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

- 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 milage 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 debt 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

	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Town Taxable Assessed Value
Land Resources Investment Co. (Florida Power and Light)	\$ 124,855,491	1	13.41%	\$ 62,749,816	1	8.96%
Lifespace Communities, Inc. (The Waterford)	26,724,300	2	2.87%	10,147,847	3	1.45%
Juno Corp. (Villas of Juno Beach)(formerly North for 2004)	13,949,573	3	1.50%	7,300,000	4	1.04%
Delray Property Investment, Inc. (Plaza La Mer)	10,000,000	4	1.07%	6,600,000	5	0.94%
Seminole Golf Club (Golf Club)	6,759,872	5	0.73%	6,191,656	6	0.88%
Fried, Steven & Jill (Private Residence)	6,304,267	6	0.68%	-	-	-
Juno Square, LLP (Juno Square Plaza)	4,954,984	7	0.53%	-	-	-
Juno Bay Colony LLC (Bay Colony)	4,509,296	8	0.48%	-	-	-
Jagi Juno (Holiday Inn)	4,501,227	9	0.48%	-	-	-
Loggerhead Associates, Ltd. (Loggerhead Plaza)	4,421,285	10	0.47%	-	-	-
Uno Lago Community Development, Ltd. Co. (Uno Lago)	-	-	-	19,957,304	2	2.85%
Olen Juno Corp. (Villas of Juno Beach-South)	-	-	-	5,404,238	7	0.77%
Green Island Investors (Seminole Plaza)	-	-	-	5,000,000	8	0.71%
Framur Property, Inc. (Fran Murphy Interiors)	-	-	-	4,000,000	9	0.57%
Shivam Hospitality Group, Inc. (Hampton Inn)	-	-	-	3,714,093	10	0.53%
Totals	<u>\$ 206,980,295</u>		<u>22.22%</u>	<u>\$ 131,064,954</u>		<u>18.70%</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
2004	\$ 2,449,607	\$ 2,361,426	96.40%	\$ 842	\$ 2,362,268	96.43%
2005	2,918,242	2,816,960	96.53%	434	2,817,394	96.54%
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%

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				
2004	\$	746,405	\$ 746,405	N/A	\$ 208
2005		674,388	674,388	N/A	188
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	-

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, 2013

	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⁾	187,210,000	0.68%	1,273,028
Palm Beach County School District ⁽³⁾	26,370,000	0.68%	179,316
Total overlapping debt	213,580,000		1,452,344
Total direct and overlapping debt payable from ad valorem taxes	\$ 213,580,000		\$ 1,452,344
Estimated population			3,191
Total direct and overlapping debt per capita			\$ 455.14

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⁾
2004	3,591	60.1	1,242,270	41.8	\$ 43,830	\$ 157,393,530	170,217	5.7%
2005	3,596	60.1	1,265,900	41.8	44,050	158,403,800	174,102	4.1%
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%

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	2013 ⁽¹⁾			2004 ⁽¹⁾		
	Employees	Rank	Percentage	Employees	Rank	Percentage
			of Total County Employment			of Total County Employment
Palm Beach County School District	20,810	1	N/A	18,762	1	N/A
Tenet Healthcare Corp.	6,100	2	N/A	4,705	3	N/A
Palm Beach County	5,383	3	N/A	9,000	2	N/A
NextEra Energy	3,804	4	N/A	2,800	5	N/A
G4S (Headquarters)	3,000	5	N/A	-	-	-
Florida Atlantic University	2,980	6	N/A	-	-	-
Hospital Corporation of America - HCA	2,714	7	N/A	-	-	-
Bethesda Memorial Hospital	2,643	8	N/A	-	-	-
Boca Raton Regional Hospital	2,250	9	N/A	-	-	-
Office Depot (Headquarters)	2,000	10	N/A	2,780	6	N/A
Columbia Palm Beach Health Care System	-	-	-	4,000	4	N/A
Boca Raton Resort & Club	-	-	-	2,380	7	N/A
U.S. Sugar Corp.	-	-	-	2,200	8	N/A
Delray Community Hospital	-	-	-	2,000	9	N/A
Florida Crystals	-	-	-	2,000	9	N/A
The Breakers	-	-	-	2,000	9	N/A
Totals	<u>51,684</u>		<u>N/A</u>	<u>52,627</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 2013 and 2004

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Administrative										
Administration	3	3	4	4	4	4	4	4	4	4
Finance	3	3	3	3	2	2	2	2	2	2
Planning and Zoning	3.375	4.375	5.25	5.25	5.125	5.125	4.5	4.5	4.5	4.5
Public Safety										
Police officers	15	15	16	16	16	16	16	16	16	16
911 Dispatch	5	5	5	5	5	5	5			
Administrative	1	1	1	1	1	1	1	2	2	2
Public Works	5	5	5	5	5	5	5	5	5	5
Total	35.375	36.375	39.250	39.250	38.125	38.125	37.500	33.500	33.500	33.500

Town of Juno Beach, Florida

Operating Indicators by Function / Program

Last Ten Fiscal Years

Function	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police										
Citations	3,122	3,855	3,623	3,084	2,049	3,036	1,719	2,073	1,963	1,530
Parking violations	224	124	106	95	75	140	156	171	187	59
House checks	2,199	1,974	2,152	2,738	3,750	1,956	808	692	923	929
Business checks	25,259	22,378	17,255	16,369	20,295	13,048	13,108	13,984	16,224	12,862
Reports	1,360	1,135	854	1,016	909	874	610	664	537	548
Crash reports	99	102	139	120	86	83	90	109	128	112
Arrests	139	233	218	271	175	186	292	226	147	157
Planning and Zoning										
Number of building permits	402	496	570	684	589	602	706	641	706	937
Value of building permits	\$15,026,024	\$19,164,977	\$12,134,637	\$23,846,562	\$18,560,269	\$10,766,732	\$6,378,658	\$7,369,411	\$6,709,544	\$24,017,342
Roads and Streets										
Street resurfacing (centerline miles)	0.0	0.0	0.9	0.0	1.2	0.3	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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Administrative										
Facilities (Town Center)	1	1	1	1	1	1	1	1	1	1
Planning and Zoning										
Vehicles	2	1	2	2	2	2	2	2	2	2
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	10	12	13	15	15	17	20	17	18	15
Public Works										
Facilities	3	3	3	3	3	3	3	3	3	3
Vehicles	7	7	8	8	7	8	7	6	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	7.8	7.8	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**



CALER, DONTEN, LEVINE,
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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, 2013, 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 March 18, 2014.

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, Douton, Levine,
Cohen, Porter & Veil, P.A.*

West Palm Beach, Florida
March 18, 2014



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Management Letter

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

We have audited the financial statements of the Town of Juno Beach, Florida, as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated March 18, 2014.

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 Florida Auditor General. 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*. Disclosures in that report, which is dated March 18, 2014, should be considered in conjunction with this management letter.

Additionally, Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida, requires certain additional information to be reported. This management letter includes the following additional information required by Chapter 10.550, Rules of the Auditor General, which is not included in the aforementioned auditor's report:

1. 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. Corrective actions have been taken to address finding and recommendation 2012-1 *Review of Bank Reconciliations* made in the preceding annual financial audit report.
2. Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Town complied with Section 218.415, Florida Statutes.
3. Section 10.554(1)(i)3., 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.
4. Section 10.554(1)(i)4., 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.

5. Section 10.554(1)(i)5., 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.
6. Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity 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, 2013.
7. Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the Town for the fiscal year ended September 30, 2013, 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, 2013. In connection with our audit, we determined that these two reports were in substantial agreement.
8. Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures as of September 30, 2013. 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.

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.

*Caley, Dauten, Levine,
Cohen, Porter & Veil, P.A.*

West Palm Beach, Florida
March 18, 2014