



The Town of
Highland Beach, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended September 30, 2014



TOWN OF HIGHLAND BEACH, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2014
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Town of Highland Beach

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Palm Beach County, Florida

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Mayor:
Bernard Featherman
Vice Mayor:
Ron Brown
Commissioners:
Dennis J. Sheridan
Louis P. Stern
Carl Feldman
Town Manager:
Kathleen D. Weiser

March 16, 2015

Honorable Mayor and Members of the Town Commission
Town of Highland Beach, Florida

Pursuant to the Town's Charter and in accordance with State law, all general purpose local governments publish, within six months of the close of the fiscal year, a complete set of financial statements. These are presented in conformity with generally accepted accounting principles (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Commensurate with this requirement, we are pleased to present the Town of Highland Beach's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2014.

This report consists of management's representation concerning the finances of the Town of Highland Beach. Consequently, the Town's management assumes full responsibility for both the completeness and reliability of all the information presented in this report. In order to provide a reasonable basis for making these representations, management of the Town of Highland Beach has established a comprehensive internal control framework that is designed to both protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework for internal controls has been designed to provide reasonable, rather than absolute, assurances that the financial statements will be free of material misstatements. 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 Highland Beach's financial statements have been audited by Nowlen, Holt & Miner, 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 Highland Beach for the fiscal year ended September 30, 2014, 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 accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor has concluded and issued an unmodified ("clean") opinion on the Town of Highland Beach's financial statements for the fiscal year ended September 30, 2014. The independent auditor's report is presented as the first component of the financial section of this report.

The organization and content of this report are based primarily on the financial reporting standards set by the Governmental Accounting Standards Board (GASB) and recommendations of the Government Finance Officers Association of the United States and Canada. The report is designed to meet the needs of a wide variety of readers and is divided into four principal sections. These sections consist of an introductory section, financial section, statistical section, and a compliance section. The Management's Discussion and Analysis (MD&A), a narrative designed to assist the reader by providing an overview and analysis of the financial activities of the Town, can be found immediately following the report of independent auditors starting on page 12.

The overall economic outlook for the Town appears to be bright. The increased assessed value of the existing and new residential units and condominiums will allow the Town's assessed value to continue in growth mode. Through the enforcement of Town codes and ordinances, the Town will continue to attempt to enhance the aesthetic appearance of the Town, and maintain the high quality of life that exists in the community.

The following chart is an illustration of the previously mentioned points regarding the growth (or decline) in assessed value in the Town:

Year	Taxable Assessed Valuation	Population	Assessed Value Per Capita
2003	1,203,859,271	3,961	\$ 303,928
2004	1,356,599,854	4,019	\$ 337,547
2005	1,546,615,892	4,157	\$ 372,051
2006	1,875,187,592	4,157	\$ 451,092
2007	2,300,831,999	4,155	\$ 553,750
2008	2,238,941,501	4,164	\$ 537,690
2009	2,140,106,933	4,164	\$ 513,955
2010	1,932,060,374	4,162	\$ 464,214
2011	1,815,718,250	3,539	\$ 513,060
2012	1,732,047,474	3,539	\$ 489,417
2013	1,752,273,484	3,572	\$ 490,558
2014	1,824,011,226	3,581	\$ 509,358

Long-term financial planning

At September 30, 2014, the unassigned fund balance in the general fund was \$3.56 million, an increase of \$68,000 for the fiscal year. This balance is considered to be healthy, consisting of approximately 36% of total general fund expenditures for the FY ended 2014. The Town Commission continues to take an aggressive approach toward preserving the financial future of the Town by adopting policies that create cash reserve designations labeled as assigned fund balance. These cash reserves are assigned for a specific use such as recovering from natural disasters and providing a "cash cushion" during months when cash flows fall stagnant. Future cash reserve designations will include an assigned fund balance for capital improvements and replacements.

MAJOR INITIATIVES

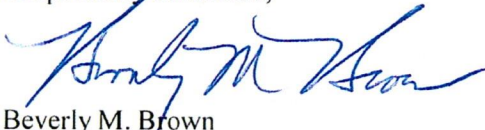
For the Year:

In Fiscal Year 2014, the Town continued its path to enhance and improve municipal services. The renovation of Town Hall's Commission Chambers and Police Department began. This renovation included the complete interior reconfiguration of the south end of Town Hall. The south end was re-constructed so that the once-separated Police Department and Police Administration areas would be together under one fluid and functional area. This renovation will help the Police Department meet State of Florida Accreditation standards and vastly improves the internal efficiency of operations as well as officer safety. To combine the two separate police areas, the Town Commission Chambers was moved to the front of the Town Hall building. The new Town Commission Chambers provides a more intimate setting, updated audio/visual capabilities, and improved seating.

Acknowledgments

The preparation of this report in a timely basis could not have been accomplished without the efficient and dedicated services of the Town of Highland Beach's Finance Department. We also wish to thank the Mayor and Commission members for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully submitted,



Beverly M. Brown
Town Manager



Cale Curtis
Finance Director



TOWN OF HIGHLAND BEACH Organization Chart

