

# Comprehensive Annual Financial Report



**Fiscal Year Ended  
September 30, 2020**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**TOWN OF JUNO BEACH, FLORIDA**

**Fiscal Year Ended September 30, 2020**

Prepared by the Finance Department

TOWN OF JUNO BEACH, FLORIDA

Table of Contents

Comprehensive Annual Financial Report

September 30, 2020

	<u>Page Number</u>
INTRODUCTORY SECTION	
Letter of Transmittal .....	i
Certificate of Achievement.....	viii
Town of Juno Beach Organizational Chart .....	ix
List of Principal Officials .....	x
FINANCIAL SECTION	
Independent Auditor's Report.....	1
Management's Discussion and Analysis .....	3
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	10
Statement of Activities.....	11
Fund Financial Statements	
Balance Sheet - General Fund .....	12
Reconciliation of the Balance Sheet - General Fund to the Statement of Net Position .....	13
Statement of Revenue, Expenditures and Changes in Fund Balance - General Fund .....	14
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balance of the General Fund to the Statement of Activities .....	15
Statement of Fiduciary Net Position - Fiduciary Fund.....	16
Statement of Changes in Fiduciary Net Position - Fiduciary Fund.....	17
Notes to Financial Statements.....	18
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund .....	49
Notes to Budgetary Comparison Schedule.....	51
Florida Retirement System	
Schedule of Employer Contributions - Florida Retirement System Pension Plan .....	52
Schedule of Proportionate Share of Net Pension Liability - Florida Retirement System Pension Plan .....	53
Schedule of Employer Contributions - Florida Retirement System Retiree Health Insurance Subsidy Program .....	54
Schedule of Proportionate Share of Net Pension Liability - Florida Retirement System Retiree Health Insurance Subsidy Program.....	55
Other Postemployment Benefits	
Schedule of Changes in the Total Other Postemployment Benefits (OPEB) Liability .....	56

TOWN OF JUNO BEACH, FLORIDA

Table of Contents (Continued)

Comprehensive Annual Financial Report

September 30, 2020

	<u>Page Number</u>
STATISTICAL SECTION	
Financial Trends	
Net Position by Component.....	57
Changes in Net Position .....	58
Fund Balances of Governmental Funds.....	60
Changes in Fund Balances of Governmental Funds.....	62
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property.....	64
Assessed Value of Taxable Property and Tax Rates .....	65
Direct and Overlapping Property Tax Rates.....	66
Principal Property Taxpayers .....	67
Principal Tax Levies and Collections .....	68
Debt Capacity	
Ratios of Outstanding Debt by Type.....	69
Direct and Overlapping Governmental Activities Debt.....	70
Demographic and Economic Information	
Demographic and Economic Statistics.....	71
Principal Employers .....	72
Operating Information	
Full-time Equivalent Town Government Employees by Function/Program .....	73
Operating Indicators by Function/Program.....	74
Capital Asset Statistics by Function/Program .....	75
COMPLIANCE REPORTS	
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 <b>Government Auditing Standards</b> .....	76
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida .....	78
Independent Accountant’s Report on Compliance with Section 218.415, Florida Statutes.....	80
IMPACT FEE AFFIDAVIT.....	81

## **INTRODUCTORY SECTION**



**TOWN OF JUNO BEACH**  
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March 24, 2021

Mayor Jason S. Haselkorn  
Vice-Mayor James R. Lyons  
Councilmember Peggy L. Wheeler  
Councilmember Stuart Katz, MD

The Honorable Mayor, Town Council and Citizens:

State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with U.S. Generally Accepted Accounting Principles (GAAP) and audited in accordance with U.S. generally accepted auditing standards and **Government Auditing Standards** by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of Juno Beach for the fiscal year ended September 30, 2020.

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's 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 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 Juno Beach for the fiscal year ended September 30, 2020 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, 2020 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

## **Profile of the Government**

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

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

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

The Town provides general municipal services such as police protection, planning, zoning and building, code enforcement, parks, public works, stormwater utilities and cultural events. Fire Protection and Emergency Medical Services are provided by Palm Beach County. Utility services, such as water and wastewater are provided by neighboring jurisdictions including the Town of Jupiter, Loxahatchee River District and Seacoast Utility Authority. Sanitation collection services are currently contracted with Waste Management, Inc. until September 2022. The Town contracts with Diversified Building Department Management Corporation for building official, plan review and inspection services for our building and permitting department needs through September 2022.

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 Town Council is required to hold public hearings on the proposed budget and must adopt a final budget as required by the Florida Property Tax Truth in Millage (TRIM) Process. The budgetary process is very valuable in communicating with the Town Council and citizens of the Town.

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

- |   |  |
|---|--|
| <b>Beach</b>  | The Town has 2.4 miles of wonderful beaches along a spectacular blue ocean. Eleven (seven 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.  |
| <b>Juno Beach Pier</b>                              | 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.  |
| <b>Loggerhead Marinelife Center/ Turtle Nesting</b> | The Town's coastline is one of the highest density nesting areas for sea turtles in the world. The Loggerhead Marinelife Center (LMC), a not-for-profit organization, monitors the nests and is dedicated to promoting the conservation of Florida's coastal ecosystem through education, research and rehabilitation with a special focus on threatened and endangered sea turtles. The LMC is located in the County owned Loggerhead Park. |

**Environmentally Sensitive Lands**

Approximately 594 acres of land or 43% of the Town’s total land area has been purchased by the County for preservation. The County has installed trails throughout these parcels, known as the Juno Dunes Natural Area, to serve as a beautiful nature walk and to educate the public about the importance of preservation. Additional improvements include a light vessel boat dock, erosion control and other amenities along the intracoastal waterway.

**Town Parks**

Pelican Lake Park includes a 12-acre lake adjacent to the Town Center Property with lush landscaping and a ¾ mile – 8 feet wide public concrete and paver brick sidewalk, covered gazebos and fountains is the setting for Town events and leisure strolls. South of Pelican Lake the Town owns and operates Kagan Park, which has playground equipment, bocci, basketball, and adult exercise stations. Town Hall Park is our newest park completed in 2018, it is the site of the Town’s first Town Hall from 1961-1991. The park includes gazebo, sidewalk, paver bricks, seating and lush landscape.

**County Parks in Town**

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.

**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 “Juno Beach Historical Society” collects items linked to the history of the Town, preserves them for future generations, and shares this history with the public. The “Friends of the Arts” organizes art shows for local artists; artwork is displayed year-round in the Town Center Council Chambers. “Artfest by the Sea in Juno Beach,” which draws some 30,000 visitors is held along A1A and the Ocean at the north end of Town.

**Diverse Housing**

The Town has assisted living facility units, mobile home parks, townhouses, condominium units and single-family homes with values in excess of several million dollars.

**Seminole Golf Club**

A prestigious private oceanfront golf course designed by Donald Ross and opened in 1929.

**Town Center**

This complex was designed to house all of the Town’s government operational needs and also function as a cultural center to facilitate social activities, host events and serve as a meeting place for homeowners associations, businesses, social groups, etc.

**Local Economy**

Juno Beach is a seasonal, residential community with a permanent population of approximately 3,463. With over 3,000 residential units, the Town’s population, supports the notion that more property owners are choosing Juno Beach as their seasonal residence as opposed to their permanent residence. During the seasonal months (November through April) the population of the Town increases dramatically, nearly tripling. This influx of residents also brings an increase in tourists that seek the wonderful temperate climate that is south Florida. Neighboring cities and towns also experience significant increases in resident and tourist traffic during the winter and early spring months which help support many local businesses.



The Town and surrounding communities generally experience a stable economy and real estate market. The Town benefits from the County's persuasion and initiative to foster job creation by targeting the industries of biotechnical science and aerospace engineering. The Scripps Research Institute and bioscience industry spin-offs have materialized with the addition of the Max Planck Florida Institute to the life sciences cluster at the expanding Florida Atlantic University campus which is located west of town in the Town of Jupiter. This diversification of the local economy in relation to its long-standing economic base of tourism, retail, healthcare and housing activities will positively influence the Town for the coming years.

The Town had the following projects that were completed during 2018/2019:

- Several new single-family homes throughout Town

The Town had the following projects that were in progress or started during 2019/2020:

- Ocean One - 11 2-family homes
- Loggerhead Marinelife Center Expansion
- Several new single-family homes throughout Town
- 461 Venus Drive - 2-family project
- Beach Renourishment Project - Juno Beach

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

**NextEra Energy, Inc.**, encompassing approximately one million square feet of office space in Juno Beach, is a leading clean energy company with more than 46,000 megawatts of generating capacity, and approximately 14,300 employees in 30 states, Canada and Spain as of year-end 2018. Nearly two-thousand employees work in the Juno Beach headquarters.

NextEra Energy has been ranked No. 1 in the electric and gas utilities industry in Fortune's 2021 list of "World's Most Admired Companies." NextEra Energy is the parent company of Florida Power & Light Company (FPL) and NextEra Energy Resources, LLC. FPL serves more than ten million people through five million customer accounts in Florida and is one of the largest rate-regulated electric utilities in the United States. NextEra Energy Resources, LLC, which together with its affiliated entities, is the world's largest generator of renewable energy from the wind and sun.

**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.

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

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

## ***Future Economic Outlook***

As the uncertainties of COVID-19 play out across the United States and the entire world, South Florida has been the recipient of a significant influx of remote workers moving from many other states.

The United States economy is stressed, gross domestic product (GDP) increased during the fourth quarter of 2020, reflecting both the continued economic recovery from the sharp declines earlier in the year and the ongoing impact of the COVID-19 pandemic, including restrictions and closures that took effect all across the United States. The consensus of many economists is that the U.S. will experience strong growth as the reopening of the World economies continue throughout the coming year. Economic risks will continue with some more significant than others, the potential of global trade issues, the burden of our very high national debt, political unrest and domestic political stalemates. Florida's employment and sales tax receipts are increasing, tourism is struggling and the overall Florida housing sector is stable.

The Town of Juno Beach's property values have increased nine years in a row, including the 2021 fiscal year. The Town's residential values and sales are strong. The Town is experiencing some new residential construction and commercial properties are stable. Building permit activity is increasing with new development. The Town's ocean views are beautiful with healthy, sandy and renourished beaches. Our weather is very pleasant and our density and traffic, although increasing, are not too demanding.

## ***Major Initiatives***

The North County Comprehensive Shore Protection Project Segment III (Beach Renourishment) also known as the Juno Beach Shore Protection Project is a Federal, State and County funded project to replenish one million cubic yards of sand from an off-shore borrow area onto 2.4 miles of critically eroded beaches within the Towns of Juno Beach and Jupiter. The project commenced in December 2020 and work will be completed by March 2021.

The Juno Beach Town Council is fostering monthly workshop meetings to promote an open dialogue with the community, staff and environmental consultants about the health and care of Pelican Lake. The monthly workshops present the opportunity for consensus building on various topics including: water and soil quality sampling, testing and analysis; aquatic weed control; algae treatment; grant opportunities; planting; fisheries; waterfowl; and, other issues pertaining to the current condition and future of the lake.

The Town's Police Department is fortunate to receive funding for various initiatives from the Juno Beach Police Foundation. The organization was established in 2018 and is comprised of community members that work towards funding equipment, training and technology in support of the police department's mission to continuously provide enhanced safety and quality of life for the Juno Beach Community. By providing this assistance, the Juno Beach community is promoting a joint effort with the Police Department to help keep Juno Beach one of the safest towns in Florida.

Florida Power & Light continues to work on hardening efforts around Town, by installing and replacing power poles, which can be a combination of wood and concrete, that will be able to withstand major hurricane-force winds, accompanied by other improvements.

On November 8, 2016, the voters of Palm Beach County approved a one-cent sales surtax. The approval effectively raised the sales tax from 6 cents to 7 cents on the dollar, giving the county government, its public schools and municipal governments funding intended primarily for repairing infrastructure and public facilities, and purchasing capital equipment needs. The surtax commenced on January 1, 2017 and automatically sunsets on December 31, 2026, unless sunsetted earlier because the intended funds are achieved sooner. The Town has received \$892,143 in Surtax revenue through fiscal year 2020. The Town has completed the following projects, and has other projects under consideration as identified below.

### Completed Surtax Projects:

- Building and facility improvements include: The second-floor library area of the Town Center was renovated. The improvements included removing walls and opening up the area to better utilize the space and accommodate larger gatherings. New and additional bookshelves were installed, along with cabinets and other furnishings, a large smart television to aid in presentations was added. The Town Center's north parking lot storage building included attic storage, insulation, and climate control improvements to provide more effective use of the space. Automation of the Town Center's front door provides easier access for the community.
- Several dune walkover structures have been renovated over the years to enhance the accessibility for residents and visitors. Funding has been through Surtax, or in conjunction with State of Florida FRDAP grants. The improvements include seating areas, aluminum handrails and they are constructed with composite lumber to provide many years of longevity and enjoyment for the community.
- Park improvements include: Kagan Park playground area included improvements to drainage and installation of new surface material in the play structure fall zones. Town Hall Park, the Town's newest park, was the recipient of new landscaping, a park sign, and an additional sidewalk that includes engravable paver bricks so residents and visitors can make their "mark in the park". Pelican Lake Park received a new granite fountain to replace an aged fountain. The beautiful three-tier fountain will adorn the lake side park for many years.
- Various police and public works vehicles were purchased to enhance and improve the fleet.

### Proposed Surtax Projects:

- The Town is currently in the planning process of improving our Town Center community events area. The events area or backyard of the Town Center building is utilized for many of the Town's community events. Events generally attract a couple hundred people and proposed improvements include a multi-level area, expanding the current patio, concert style seating walls, additional shade areas, along with other improvements. The hope is that the area becomes a signature destination for the community, whether they come for a Town event or to enjoy at their leisure.
- The Town is working on a history project that is partially funded from a grant through the State of Florida, Division of Historical Resources, the Surtax is providing matching funds. The Landmarks Trail project is designed to increase the historical information of the Town by adding content to various media platforms; including a map/brochure, interpretive signs, website and mobile app.

### ***Relevant Financial Policies***

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

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

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

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 2.05 percent for the 12-month period ending September 30, 2020. The Town of Juno Beach's investment policy places first priority upon security of the investment and secondary priority on investment yield.

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

Risk management: Management and staff are committed to a comprehensive risk management program. Risk management topics, issues and incidents are consistently discussed at monthly staff meetings and quarterly safety committee meetings. The Town purchases insurance for property, general liability, automobile, and workers compensation coverage through the Florida League of Cities insurance programs. The Town's employee health insurance coverage as of January 1, 2021, is through Blue Cross and Blue Shield of Florida-Florida Blue. Insurance coverages are evaluated annually by management and adjusted as necessary to provide the most cost effective protection for the Town.

### ***Awards and Acknowledgements***

Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Juno Beach for its comprehensive annual financial report for the fiscal year ended September 30, 2019. The Certificate of Achievement is a prestigious national award recognizing achievement of the highest standards for preparation of state and local government financial reports.

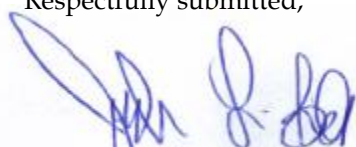
In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a comprehensive annual financial report must satisfy both U.S. generally accepted accounting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

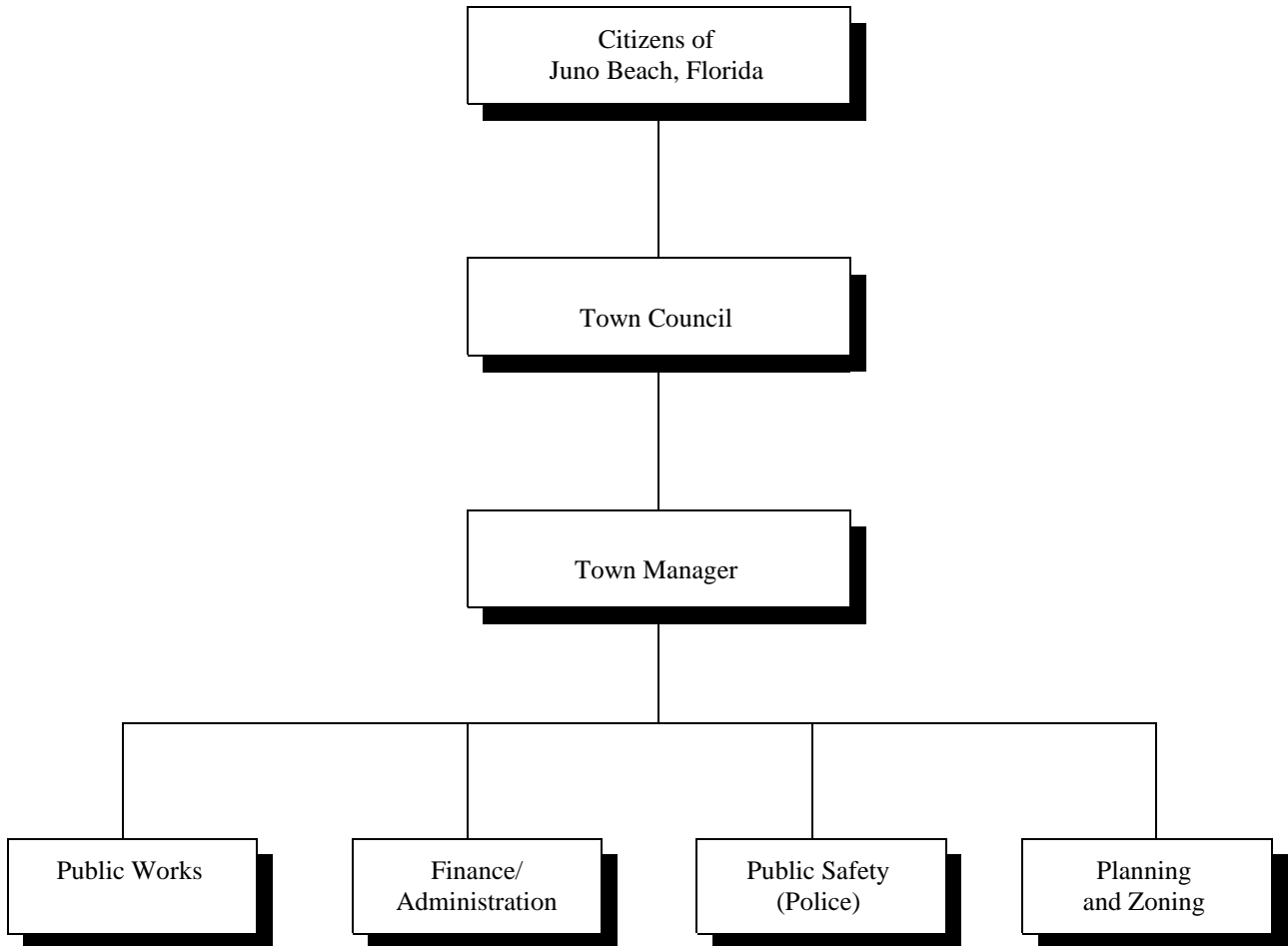
September 30, 2019

*Christopher P. Morill*

Executive Director/CEO

TOWN OF JUNO BEACH, FLORIDA

ORGANIZATIONAL CHART





**LIST OF PRINCIPALS OFFICIALS  
COUNCIL – MANAGER FORM OF GOVERNMENT**

**TOWN COUNCIL**

Jason S. Haselkorn ..... Mayor  
James R. Lyons ..... Vice Mayor  
Peggy L. Wheeler ..... Councilmember  
Stuart Katz, MD ..... 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  
Caitlin E. Copeland ..... Town Clerk  
Frank M. Davila ..... Director of Planning and Zoning  
Andrea L. Dobbins ..... Project Coordinator/Risk Manager

**PROFESSIONAL ADVISORS**

Leonard G. Rubin, P.A. .... Attorney  
  
Robert Rennebaum, P.E.  
Simmons & White, Inc. .... Consulting Engineer  
  
Terry L. Morton  
Nowlen, Holt & Miner, P.A. .... Independent Auditor

## **FINANCIAL SECTION**





# NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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NORTHBRIDGE CENTRE  
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WEST PALM BEACH, FLORIDA 33402-0347  
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EDWARD T. HOLT, CPA  
WILLIAM B. MINER, RETIRED  
ROBERT W. HENDRIX, JR., CPA  
JANET R. BARICEVICH, RETIRED, CPA  
TERRY L. MORTON, JR., CPA  
N. RONALD BENNETT, CVA, ABV, CFF, CPA  
ALEXIA G. VARGA, CFE, CPA  
EDWARD T. HOLT, JR., PFS, CPA  
BRIAN J. BRESCIA, CFP®, CPA

MARK J. BYMASTER, CFE, CPA  
RYAN M. SHORE, CFP®, CPA  
WEI PAN, CPA  
WILLIAM C. KISKER, CPA  
RICHARD E. BOTTS, CPA

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of the Town Council  
Town of Juno Beach, Florida

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POST OFFICE BOX 338  
BELLE GLADE, FLORIDA 33430-0338  
TELEPHONE (561) 996-5612  
FAX (561) 996-6248

### 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, 2020, and the related notes to the financial statements, which collectively comprise the Town of Juno Beach, Florida'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 accounting principles generally accepted in the United States of America; 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial 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, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9, the budgetary comparison information on pages 49 through 51, the pension information on pages 52 through 55, and the other postemployment benefit information on page 56, 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 auditing standards generally accepted in the United States of America, 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 of Juno Beach, Florida's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2021, on our consideration of the Town of Juno Beach, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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 of Juno Beach, Florida's internal control over financial reporting and compliance.

*Nowlen, Holt & Miner, P.A.*

West Palm Beach, Florida  
March 24, 2021

## 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, 2020. 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 plus deferred outflows of resources of the Town of Juno Beach exceeded its liabilities plus deferred inflows of resources at September 30, 2020, by \$7,953,023. Of this amount, unrestricted net position of \$2,713,134 may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net position decreased by \$592,021 (page 11). 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 \$7,660,510, an increase of \$435,538. Of this amount, \$5,982,764 is unassigned and available for spending and \$750,000 has been assigned for the subsequent year's budget, and \$30,382 is assigned for public works. The remainder is either non-spendable or restricted.
- At the end of the current fiscal year, the unassigned and assigned fund balance (page 12) for the general fund represented 121% of total general fund expenditures (page 14) or 440 days of available funding.

### Overview of the Financial Statements

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

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

The **statement of net position** (page 10) presents information on all of the Town's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, 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 11) presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus,

revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

**Fund financial statements:** A **fund** is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Juno Beach can be divided into two categories: governmental funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two. The Town's only governmental fund is the general fund. The governmental fund financial statements are presented on pages 12 through 15.

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 (pages 49 through 51) to demonstrate compliance with the fiscal year 2020 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 fund consists of the general employee's retirement plan and trust fund. The fiduciary fund financial statements are presented on pages 16 and 17.

**Notes to the financial statements:** The notes begin on page 18 and provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents certain other required supplementary information. This includes the budgetary comparison for the general fund referred to earlier in connection with governmental funds and various schedules of pension and other postemployment benefits information which is presented immediately after the basic financial statements on pages 49 through 56.

## Government-Wide Financial Analysis

**Net position:** The table below is a summary of the Statement of Net Position at September 30, 2020 and 2019.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At September 30, 2020, the Town's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$7,953,023. The largest portion of the Town's net position (56 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, \$807,125 or 10 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$2,713,134 or 34 percent, may be used to meet the government's ongoing obligations to citizens and creditors.

**Town of Juno Beach**  
**Statement of Net Position – Governmental Activities**  
**September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Current and other assets	\$ 7,907,624	\$ 7,549,945
Capital assets, net	4,432,764	4,731,528
Total assets	<u>12,340,388</u>	<u>12,281,473</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	1,705,948	1,365,044
<b>LIABILITIES</b>		
Long-term liabilities outstanding	5,608,992	4,352,856
Other liabilities	209,522	307,741
Total liabilities	<u>5,818,514</u>	<u>4,660,597</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	274,799	440,876
<b>NET POSITION</b>		
Investment in capital assets	4,432,764	4,731,528
Restricted	807,125	734,678
Unrestricted	<u>2,713,134</u>	<u>3,078,838</u>
Total net position	<u>\$ 7,953,023</u>	<u>\$ 8,545,044</u>

**Change in Net Position:** The table below is a comparative summary of the changes in net position for the fiscal years ended September 30, 2020 and 2019:

**Town of Juno Beach  
Statement of Activities – Governmental Activities  
For the Fiscal Years Ended September 30, 2020 and 2019**

	2020	2019
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 911,963	\$ 1,136,789
Operating grants and contributions	115,385	159,096
Capital grants and contributions	63,065	57,024
General revenues		
Property taxes	3,098,555	2,905,591
Other taxes	1,090,536	1,115,083
Local one-cent sales tax	237,115	250,248
State shared revenue	408,316	441,176
Investment earnings	152,170	198,280
Gain on disposal of capital assets	4,908	-
Total revenues	6,082,013	6,263,287
<b>EXPENSES</b>		
Administrative	1,356,190	1,309,343
Planning and zoning	771,466	807,333
Public safety	3,457,854	2,971,718
Public works	1,088,524	1,051,419
Total expenses	6,674,034	6,139,813
Change in net position	(592,021)	123,474
Net position, beginning of year	8,545,044	8,421,570
Net position, end of year	\$ 7,953,023	\$ 8,545,044

The Town's net position decreased by \$592,021 for 2020. Total revenues decreased approximately \$181,000 or 2.9% from the prior year which is mainly attributed to the following:

- a \$225,000 decrease in charges for services that is mainly attributable to a decrease in building related activities;
- a \$44,000 decrease in operating grants and contributions is mainly related to hurricane related reimbursements received in prior year;
- a \$193,000 increase in property taxes associated with new construction and tangible personal property;
- a \$25,000 decrease in other taxes mainly attributed to communication service taxes collected and disbursed by the state;
- a \$13,000 decrease in the local government discretionary infrastructure surtax;
- a \$33,000 decrease in state shared revenue mainly attributed to the local government discretionary half-cent sales tax and state revenue sharing; and,
- a \$46,000 decrease in investment earnings related to the declining interest rate environment.

Expenses increased approximately \$534,000 or 8.7%. The increase in expenses is primarily due to the following:

- increases in salaries and benefits for the police department and,
- increase in pension expense related to the Florida Retirement System (FRS) net pension liability.

### **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, unassigned 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, 2020, the Town's General Fund reported ending fund balance of \$7,660,510, which was an increase of \$435,538 in comparison to the prior year. Of this amount, \$5,982,764 (78%) is unassigned fund balance, which is available for spending at the government's discretion. In addition, the Town Council has assigned \$750,000 to be used for subsequent year's expenditures and \$30,382 to be used for public works. The remainder of fund balance is non-spendable (\$90,239) or restricted for specific purposes (\$807,125). 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 107 percent of total general fund expenditures, while total fund balance represents 137 percent of that same amount.

The fund balance of the Town's general fund increased by \$435,538 during the current fiscal year. The key factors in this increase were a combination of higher than expected revenues from several sources including, permits and fees, investment earnings and contributions, in addition to the deferral of projects to future budgets.

### **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 by an ordinance, two public hearings and approval by the Town Council. The original general fund appropriation was not changed during 2020. 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 on pages 49 and 50, the following variances are considered noteworthy:

- The Town's actual revenues of \$6,046,154 were \$328,025 over budgeted revenue. Ad valorem taxes were over budget \$86,287, mainly related to tangible personal property filings; Licenses, permits and fees were over budget \$137,401, mainly related to building related activity; Fines were over budget by \$20,922, due primarily to code enforcement related activity; Investment earnings were over budget \$39,670, the increase was related to the interest rate environment; Miscellaneous revenues were over budget by \$121,994, primarily due to police related charges for services, contributions and insurance reimbursements.

- Administrative expenditures were \$390,626 under budget which was mainly attributed to contingency excess, with several other accounts across the department contributing.
- Planning and zoning expenditures were \$59,907 under budget which was mainly due to unspent engineering and consultant related activities, and building service fees.
- Public safety expenditures were \$291,821 under budget which was mainly due to unexpended personnel and benefit costs, with additional savings from various operating and capital items.
- Public works expenditures were \$308,870 under budget which was mainly due to capital outlay related to delayed projects and other improvements.

### **Capital Assets and Debt**

**Capital assets:** The Town's investment in capital assets for its governmental activities at September 30, 2020, amounts to \$4,432,764 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment, vehicles and infrastructure.

Capital asset additions during the fiscal year totaled \$333,164 and included the following:

- Buildings and Improvements - The Town Center generator received some much-needed major repairs, in addition, a new awning was installed outside the council chambers. The dune walkover at 570 Ocean was completely renovated including composite lumber decking. Town Hall park received a new park sign; and various other improvements and plans were completed to enhance amenities around town.
- Equipment and Vehicles - Various computer network hardware, software and workstation replacements and/or upgrades and equipment purchases were completed in several departments. The Public Works department purchased two new mowers and a large scale mower attachment. The Police department purchased two patrol vehicles and equipment. The Town was also the recipient of several donated items from the Juno Beach Police Foundation including: a drone, ATV, golf cart, and simulated training system.
- Streets and Lighting - Stormwater repairs were completed on Universe Boulevard infrastructure, and initial engineering services were completed on plans to complete more extensive improvements to the stormwater facilities in that immediate area.

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

**Debt:** The Town has no debt outstanding at September 30, 2020.

### **Economic Factors and Next Year's Budgets and Rates**

For fiscal year 2021, the Town Council adopted a General Fund budget of \$9,146,161 representing a 36.67% increase from the 2020 fiscal year budget. The primary increase in the fiscal year 2021 budget is the addition of a \$2 million stormwater improvement project with anticipated funding from grants and contributions.

- The 2021 fiscal year budget improvement items include: infrastructure and equipment associated with the local government discretionary infrastructure surtax including: Pelican Lake community events area improvements; dune walkover renovations and improvements; stormwater upgrades; one vehicle for the police department; and several other small projects and improvements.



Additionally, the Town has budgeted the following: Universe Boulevard stormwater improvements; patrol vehicle and equipment; a lawn tractor; various amenity and equipment improvements; and, other items include various computer network hardware and software needs.

The Town has a relatively stable property tax base. Property taxes represent approximately 35% of the 2021 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, fines, reserves, grants, contributions, 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 the 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, 2020

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,730,610
Investments	3,853,870
Accounts receivable	115,186
Accrued interest receivable	8,131
Due from other governments	109,588
Prepaid expenses	90,239
Capital assets	
Capital assets not being depreciated	1,080,260
Capital assets being depreciated, net of accumulated depreciation	3,352,504
Total assets	<u>12,340,388</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred amounts related to pensions	1,701,679
Deferred amounts related to other postemployment benefits	4,269
Total deferred outflows of resources	<u>1,705,948</u>
<b>LIABILITIES</b>	
Accounts payable	99,285
Accrued liabilities	110,237
Noncurrent liabilities	
Due within one year	10,970
Due in more than one year	5,598,022
Total liabilities	<u>5,818,514</u>
<b>DEFERRED INFOWS OF RESOURCES</b>	
Unearned revenue	37,592
Deferred amounts related to pensions	182,520
Deferred amounts related to other post employment benefits	54,687
Total deferred inflows of resources	<u>274,799</u>
<b>NET POSITION</b>	
Investment in capital assets	4,432,764
Restricted for:	
Capital projects	620,013
Law enforcement	140,256
Building code enforcement	46,856
Unrestricted	2,713,134
Total net position	<u>\$ 7,953,023</u>

See notes to the financial statements

TOWN OF JUNO BEACH, FLORIDA

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2020

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
<b>Governmental activities</b>					
Administrative	\$ 1,356,190	\$ 22,437	\$ 57,365	\$ -	\$ (1,276,388)
Planning and zoning	771,466	637,766	-	-	(133,700)
Public safety	3,457,854	174,919	43,864	7,071	(3,232,000)
Public works	1,088,524	76,841	14,156	55,994	(941,533)
Total governmental activities	<u>\$ 6,674,034</u>	<u>\$ 911,963</u>	<u>\$ 115,385</u>	<u>\$ 63,065</u>	<u>(5,583,621)</u>
General revenues					
Taxes					
Property taxes					3,098,555
Franchise fees					71,748
Utility service taxes					953,374
Local business taxes					65,414
Local one-cent sales tax					237,115
State shared revenues - unrestricted					408,316
Investment earnings					152,170
Gain on disposal of capital assets					4,908
Total general revenues					<u>4,991,600</u>
Change in net position					(592,021)
Net position, beginning of year					<u>8,545,044</u>
Net position, end of year					<u>\$ 7,953,023</u>

See notes to the financial statements

TOWN OF JUNO BEACH, FLORIDA  
BALANCE SHEET - GENERAL FUND

September 30, 2020

**ASSETS**

Cash and cash equivalents	\$	3,730,610
Investments		3,853,870
Accounts receivable		115,186
Accrued interest receivable		8,131
Due from other governments		109,588
Prepaid items		90,239
		90,239
Total assets	\$	7,907,624

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE**

**LIABILITIES**

Accounts payable	\$	99,285
Accrued liabilities		110,237
		110,237
Total liabilities		209,522

**DEFERRED INFLOWS OF RESOURCES**

Unearned revenue		37,592
		37,592

**FUND BALANCE**

Nonspendable:		
Prepaid items		90,239
Restricted for:		
Capital projects		620,013
Law enforcement		140,256
Building code enforcement		46,856
Assigned to:		
Subsequent year's budget		750,000
Public works		30,382
Unassigned		5,982,764
		5,982,764
Total fund balance		7,660,510

Total liabilities, deferred Inflows of resources, and fund balance	\$	7,907,624
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See notes to the financial statements

TOWN OF JUNO BEACH, FLORIDA

RECONCILIATION OF THE BALANCE SHEET - GENERAL FUND  
TO THE STATEMENT OF NET POSITION

September 30, 2020

Fund balance - General Fund	\$ 7,660,510
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	12,200,612
Less accumulated depreciation	(7,767,848)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Compensated absences	(309,960)
Net pension liability	(5,238,308)
Total other postemployment benefits liability	(60,724)

Deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans and other postemployment benefits are applicable to future periods and are not reported in the governmental funds.

Deferred outflows related to pensions	1,701,679
Deferred inflows related to pensions	(182,520)
Deferred outflows related to other postemployment benefits	4,269
Deferred inflows related to other postemployment benefits	(54,687)

Net position of governmental activities	\$ <u><u>7,953,023</u></u>
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See notes to the financial statements

TOWN OF JUNO BEACH, FLORIDA  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - GENERAL FUND

For the Fiscal Year Ended September 30, 2020

**REVENUE**

Ad valorem taxes	\$	3,098,555
Local busines taxes		65,414
Licenses, permits and fees		591,351
Intergovernmental		645,431
Franchise fees and utility taxes		1,025,122
Fines		47,922
Investment earnings		152,170
Impact fees		668
Grants		21,227
Water and sewer improvement fees		5,050
Miscellaneous		369,551
Total revenues		6,022,461

**EXPENDITURES**

Current		
Administrative		1,140,245
Planning and zoning		757,036
Public safety		2,581,586
Public works		835,435
Capital outlay		296,314
Total expenditures		5,610,616

Excess (deficiency) of revenues over expenditures		411,845
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**OTHER FINANCING SOURCES (USES)**

Insurance proceeds		17,794
Proceeds from sale of capital assets		5,899
Total other financing sources (uses)		23,693

Net change in fund balance		435,538
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Fund balances, beginning of year		7,224,972
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Fund balances, end of year		\$ 7,660,510
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See notes to the financial statements

TOWN OF JUNO BEACH, FLORIDA

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

For the Fiscal Year Ended September 30, 2020

Net change in fund balance - General Fund	\$ 435,538
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital assets	296,314
Less: current year depreciation	(630,937)

Capital assets donated to the Town	36,850
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Gains and losses on the disposal of fixed assets are not reported in the governmental funds but are reported in the statement of activities.

Net book value of fixed asset disposals	(991)
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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.

Change in compensated absences payable	(88,755)
Change in net pension liability and related deferred amounts	(651,748)
Change in total other postemployment benefits liability and related deferred amounts	11,708

Change in net position of governmental activities	<u>\$ (592,021)</u>
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TOWN OF JUNO BEACH, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND

September 30, 2020

	<u>Pension Trust</u>
<b>ASSETS</b>	
Investments in mutual funds	<u>\$ 816,078</u>
 <b>NET POSITION</b>	
Net position restricted for pension benefits	<u>\$ 816,078</u>

See notes to the financial statements

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

For the Fiscal Year Ended September 30, 2020

	Pension Trust
<b>ADDITIONS</b>	
Contributions	
Town	\$ 67,533
Participants	17,750
Total contributions	85,283
Investment earnings	
Net appreciation in fair value of plan assets	19,231
Divident income	29,307
Net investment earnings	48,538
Total additions	133,821
<b>DEDUCTIONS</b>	
General and administrative	3,463
Distributions	4,115
Total deductions	7,578
Net increase	126,243
Net position restricted for pension benefits, beginning of year	689,835
Net position restricted for pension benefits, end of year	\$ 816,078

See notes to the financial statements

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

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 direct expenses of a given function or identifiable activity are offset by program revenue. **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, 2020

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, deferred outflows of resources, liabilities, deferred inflows of resources, 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 position and changes in net position 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

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

lose their Half-Cent Sales Tax distribution from the State for the succeeding twelve months. For the fiscal year ending September 30, 2020, 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 (2018/2019) property tax revenue.

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

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, 2020, the Town adopted a 2.0079 millage rate (\$2.0079 per \$1,000 of assessed value). This millage rate resulted in a tax levy of \$3,118,931 for 2020, representing an increase of 3.3% from the property tax levy of \$3,018,089 in 2019. Future property tax growth is limited to the annual growth rate of per capita personal income plus the value of new construction. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. Since Palm Beach County provides fire rescue services to the Town, the Palm Beach County Fire Rescue MSTU (municipal services taxing unit) taxes Town property owners 3.4581 mills. This millage rate is deducted from the Town's legal millage rate limit of 10 mills, thereby limiting the 2019/2020 Town millage rate to 6.5419.

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 revenue consists primarily of local business taxes collected in advance of the year to which they relate. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt, which is recognized when due. 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.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments: Investments consist of participation in external investment pools, certificates of deposit, and mutual funds held in the pension trust fund. Certificates of deposit are stated at cost plus accrued interest which is fair value. Mutual fund investments are stated at fair value except for the stable value funds and money market mutual funds. The stable value funds and money market mutual funds are stated at amortized cost, which is fair value. The fair value of the Town's investment in the Florida Municipal Investment Trust external investment pool is based on the fair value of the underlying portfolio assets of the Trust.

The Town also invests in the Florida Prime fund, an external investment pool administered by the State of Florida. Under Governmental Accounting Standards Board (GASB) Statement No. 79, 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 stormwater repairs, insurance, franchise and utility taxes, and charges for services. 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, acquisition 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
Building and improvements	10-30 years
Equipment and vehicles	5-20 years

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, 2020. 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.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The separate financial statement element, **deferred inflows of resources**, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The Town's deferred inflows are related to its pension and other postemployment benefit obligations, which are reported as deferred inflows of resources on the government-wide Statement of Net Position. In addition, the Town has another item, unearned revenue, which is reported as a deferred inflow of resources on the general fund Balance Sheet and the government-wide Statement of Net Position. The unearned revenue results from local business taxes received by the Town in advance of the year for which they were levied.

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

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

**Investment in Capital Assets** - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if any. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds. At September 30, 2020, the Town had no outstanding debt.

**Restricted** - This component of net position consists of constraints placed on the use of net position by external restrictions imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Of the Town's total net position, \$807,125 is restricted by laws and regulations.

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

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

**Restricted** – Restricted fund balance includes amounts that are restricted to specific purposes either by (a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or through enabling legislation. Of the Town’s total fund balance, \$807,125 is restricted by laws and regulations.

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

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

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

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

**Fund Balance Flow Assumption** – Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the general 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



TOWN OF JUNO BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 protection from significant financial loss. There were no significant reductions in insurance coverage from the prior year. Insurance settlements have not exceeded the Town’s coverage in any of the prior three fiscal years.

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

Implementation of GASB Statements: The following GASB Statements were effective for the Town for the fiscal year ended September 30, 2020:

GASB Statement No. 95, ***Postponement of the Effective Dates of Certain Authoritative Guidance***. This Statement is effective immediately and postpones the effective dates of various standards and implementation guides, including Statements No. 84, 87, 90, 91, 92, and 93 discussed below. The effective dates presented below for these Statements are the extended effective dates in accordance with Statement No. 95.

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

GASB Statement No. 84, ***Fiduciary Activities***. This Statement will improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for the fiscal year ending September 30, 2021.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 87, **Leases**. This Statement will increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting that is based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for the fiscal year ending September 30, 2022.

GASB Statement No. 89, **Accounting for Interest Cost Incurred before the End of a Construction Period**. This Statement will enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplify accounting for interest cost incurred before the end of a construction period. This Statement is effective for the fiscal year ending September 30, 2022.

GASB Statement No. 90, **Major Equity Interests**. This Statement will improve consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement is effective for the fiscal year ending September 30, 2021.

GASB Statement No. 91, **Conduit Debt Obligation**. This Statement will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This Statement is effective for the fiscal year ending September 30, 2023.

GASB Statement No. 92, **Omnibus 2020**. This Statement will enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during the implementation and application of certain GASB Statements. This Statement addresses a variety of topics. The requirements of this Statement related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The remaining requirements are effective for the fiscal year ending September 30, 2022.

GASB Statement No. 93, **Replacement of Interbank Offered Rates**. This Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature by addressing the accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR) for agreements in which variable payments made or received depend on an IBOR. The requirements of this Statement related to the removal of LIBOR as an appropriate benchmark interest rate are effective for the fiscal year ending September 30, 2022. The remaining requirements are effective for the fiscal year ending September 30, 2021.

GASB Statement No. 94, **Public-Private and Public-Public Partnerships and Availability Payment Arrangements**. This Statement will improve financial reporting by establishing the definitions of public-private and public-public partnership arrangements (PPPs) and availability payment arrangements (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This Statement is effective for the fiscal year ending September 30, 2023.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 96, ***Subscription-Based Information Technology Arrangements***. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement is effective for the fiscal year ending September 30, 2023.

GASB Statement No. 97, ***Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32***. The requirements of this Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. This Statement is effective for the fiscal year ending September 30, 2022.

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

NOTE B - DEPOSITS AND INVESTMENTS

Deposits: The deposits with financial institutions were covered by a combination of federal depository insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions which comply with the requirements of Florida Statutes and have been designated as a qualified public depository by the State Treasurer. Qualified public depositories are required to pledge collateral to the State Treasurer with a fair value equal to a percentage of the average daily balance of all government deposits in excess of any federal deposit insurance. In the event of a default by a qualified public depository, the amount of public funds would be covered by the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. Accordingly, all deposits with financial institutions are considered fully insured or collateralized in accordance with the pronouncements of GASB. As of September 30, 2020, deposits with financial institutions had a bank balance of \$5,367,888 and a carrying amount of \$5,271,709. The Town also had \$850 in petty cash for a total carrying amount of \$5,272,559. The Town's deposits include \$1,541,949 of certificates of deposit that are reported as investments.

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 Gennie Mae and obligations of Freddie Mac; and, any additional investments specifically authorized by Town Ordinance. The Town has also adopted ordinances permitting investment in the Florida Municipal Investment Trust, an external, government investment pool administered by the Florida League of Cities. The General Employees Retirement Plan and Trust Fund allows employees to direct their contributions into any of the various mutual funds offered by the Plan.

TOWN OF JUNO BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

The investments held by the Town at September 30, 2020, consist of the following:

<u>General Fund</u>	
Certificates of deposit	\$ 1,541,949
Florida Prime fund	1,074,027
Investments in Florida Municipal Investment Trust	
0-2 Year High Quality Bond Fund	223,077
1-3 Year High Quality Bond Fund	439,487
Intermediate High Quality Bond Fund	575,330
	<u>\$ 3,853,870</u>
 <u>General Employees Retirement Plan and Trust Fund</u>	
Mutual Funds	
Equity funds	\$ 635,866
Fixed income funds	59,263
Stable value fund	59,150
Money market mutual funds	61,799
	<u>\$ 816,078</u>

The Florida Prime fund consists of equity in an external investment pool administered by the State of Florida which meet the requirements with GASB Statement No. 79, ***Certain External Investment Pools and Pool Participants***. GASB Statement No. 79 allows reporting the investments at amortized cost. As of September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value. However, the Trustees of the funds can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a Portfolio's securities or determination of its net asset value not reasonably practical.

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

TOWN OF JUNO BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

Fair Value of Investments: The Town follows the provisions of GASB Statement No. 72, **Fair Value Measurement and Application**, which establishes a framework for measuring the fair value of investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Town has the ability to access at the measurement date.

Level 2: Inputs to the valuation methodology include the following:

- Quoted prices for similar assets in active markets.
- Quoted prices for identical or similar assets in inactive markets.
- Inputs other than quoted prices that are observable for the assets.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the entity's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques would typically include discounted cash flow models and similar techniques, but may also include the use of market prices of assets that are not directly comparable to the subject asset.

The fair value measurement of an asset within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The categorization of an investment does not necessarily correspond to the Town's perceived risk of that investment.

**Valuation Methodologies**: The following valuation methods and assumptions were used by the Town in estimating the fair value of financial instruments that are measured at fair value on a recurring basis under GASB Statement No. 72.

**Florida Prime fund**: Valued at amortized cost and exempt from reporting under the fair value hierarchy.

**Certificates of Deposit**: Valued at cost plus accrued interest and exempt from reporting under the fair value hierarchy.

**Florida Municipal Investment Trust bond funds**: Valued at the net asset value of the fund based on the underlying securities that are actively traded or using security prices obtained from a pricing service, Interactive Data Corporation (IDC). Securities that are not actively traded are valued by IDC using a matrix pricing technique based on the securities' relationship to quoted benchmark prices.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

**Mutual funds:** Valued at the net asset value reported on the active exchange on which the funds are traded except for the stable value funds and money market mutual funds which are valued at amortized cost and exempt from reporting under the fair value hierarchy.

The methods and assumptions described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Town believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the methods and assumptions used for the year ended September 30, 2020.

The financial assets measured at fair value on a recurring basis include the Town's investments. There are no liabilities measured at fair value on a recurring basis at September 30, 2020. The fair value of the Town's investments at September 30, 2020 is summarized as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
<b>General Fund</b>				
Investments by Level:				
Florida Municipal Investment Trust				
0-2 Year High Quality Bond Fund	\$ -	\$ 223,077	\$ -	\$ 223,077
1-3 Year High Quality Bond Fund	-	439,487	-	439,487
Intermediate High Quality Bond Fund	-	575,330	-	575,330
	<u>-</u>	<u>1,237,894</u>	<u>-</u>	<u>1,237,894</u>
Investments Reported at Cost				
Certificates of Deposit				1,541,949
Investments Reported at Amortized Cost				
Florida Prime fund				<u>1,074,027</u>
Total governmental activities				<u>3,853,870</u>
				(Continued)

TOWN OF JUNO BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

(Continued)	Level 1	Level 2	Level 3	Fair Value
<b>Pension Plan</b>				
Investments by Level				
Mutual Funds				
Equity funds	635,866	-	-	635,866
Fixed income funds	59,263	-	-	59,263
	695,129	-	-	695,129
Investments Reported as Amortized Cost				
Mutual Funds				
Stable value funds				59,150
Money market mutual funds				61,799
Total pension plan				816,078
Total investments	\$ 695,129	\$ 1,237,894	\$ -	\$ 4,669,948

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 mutual 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, 2020, is 48 days. The table below summarizes the weighted average maturity of the Town's other fixed income investments at September 30, 2020.

	Weighted Average Maturity	Fair Value
<u>General Fund Investments</u>		
0-2 Year High Quality Bond Fund	0.70 years	\$ 223,077
1-3 Year High Quality Bond Fund	1.60 years	439,487
Intermediate High Quality Bond Fund	3.40 years	575,330
Certificates of Deposit	0.63 years	1,541,949
<u>Pension Trust Fund Investments</u>		
Vanguard Total Bond Market Index Fund	8.50 years	20,218
Vanguard Intermediate Term Investment Grade Index Fund	6.20 years	39,045
		\$ 2,839,106

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE B - DEPOSITS 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, 2020.

The NRSRO ratings (Fitch) for the general fund investments at September 30, 2020, are listed below. The fixed income and money market mutual funds included in the pension trust fund investments were unrated.

<u>General Fund</u>	<u>NRSRO Rating</u>	<u>Fair Value</u>
0-2 Year High Quality Bond Fund	AAAf	\$ 223,077
1-3 Year High Quality Bond Fund	AAAf	439,487
Intermediate High Quality Bond Fund	AAAf	575,330
		<u>\$ 1,237,894</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. 40, **Deposit and Investment Risk Disclosures, an amendment 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, 2020.



TOWN OF JUNO BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE C - CAPITAL ASSETS

The Town's capital asset activity for the year ended September 30, 2020, was as follows:

<b><u>Governmental Activities</u></b>	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				
Building and improvements	5,321,533	140,420	(11,967)	5,449,986
Equipment and vehicles	2,027,530	174,811	(54,378)	2,147,963
Streets and lighting	3,504,470	17,933	-	3,522,403
Total capital assets being depreciated	10,853,533	333,164	(66,345)	11,120,352
Less accumulated depreciation for				
Building and improvements	(3,600,816)	(203,581)	11,967	(3,792,430)
Equipment and vehicles	(1,320,477)	(309,666)	53,387	(1,576,756)
Streets and lighting	(2,280,972)	(117,690)	-	(2,398,662)
Total accumulated depreciation	(7,202,265)	(630,937)	65,354	(7,767,848)
Total capital assets being depreciated, net	3,651,268	(297,773)	(991)	3,352,504
Governmental activities capital assets, net	<u>\$ 4,731,528</u>	<u>\$ (297,773)</u>	<u>\$ (991)</u>	<u>\$ 4,432,764</u>

Depreciation expense was charged to functions/programs as follows:

**Governmental Activities**

Administrative	\$ 109,276
Planning and zoning	3,451
Public safety	279,054
Public works	<u>239,156</u>
Total depreciaton expense - governmental activities	<u>\$ 630,937</u>

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE D - NONCURRENT LIABILITIES

The following is a summary of changes in the Town's noncurrent liabilities for the year ended September 30, 2020:

<b><u>Governmental Activities</u></b>	Balance at Beginning of Year	Increases	Decreases	Balance at End of Year	Amounts Due Within One Year
Compensated absences	\$ 221,205	\$ 372,366	\$ (283,611)	\$ 309,960	\$ 10,970
Net pension liability	4,004,839	1,233,469	-	5,238,308	-
Other postemployment benefits liability	126,812	8,630	(74,718)	60,724	-
	<u>\$ 4,352,856</u>	<u>\$ 1,614,465</u>	<u>\$ (358,329)</u>	<u>\$ 5,608,992</u>	<u>\$ 10,970</u>

NOTE E - FLORIDA RETIREMENT SYSTEM

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

General Information: The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the Florida Retirement System Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost sharing multiple-employer defined benefit pension plan, to assist retired members of any state administered retirement system in paying the costs of health insurance.

Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs.

TOWN OF JUNO BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE E - FLORIDA RETIREMENT SYSTEM (Continued)

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000 or calling toll free at 877-377-1737. The report is also available at the Florida Department of Management Services web site [www.dms.myflorida.com](http://www.dms.myflorida.com).

Significant Accounting Policies: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan (FRSP) and the Florida Retirement System Health Insurance Subsidy Program and additions to/deduction from the FRSP and HIS fiduciary net position have been determined on the same basis as they are reported by FRSP and HIS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Pension Plan**

Plan Description: The FRS Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- Regular Class
- Special Risk Class
- Senior Management Service Class

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service.

Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided: Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE E - FLORIDA RETIREMENT SYSTEM (Continued)

after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

The following table shows the percentage value for each year of service credit earned:

Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60%
Retirement at age 63 or with 31 years of service	1.63%
Retirement at age 64 or with 32 years of service	1.65%
Retirement at age 65 or with 33 or more years of service	1.68%
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60%
Retirement at age 66 or with 34 years of service	1.63%
Retirement at age 67 or with 35 years of service	1.65%
Retirement at age 68 or with 36 or more years of service	1.68%
Special Risk Class	
Service from December 1, 1970 through September 30, 1974	2.00%
Service on or after October 1, 1974	3.00%
Senior Management Service Class	2.00%

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011 will not have a cost-of-living adjustment after retirement.

Contributions: Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the fiscal year ended September 30, 2020 were as follows:

TOWN OF JUNO BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE E - FLORIDA RETIREMENT SYSTEM (Continued)

Class	10/01/19 through 06/30/20	07/01/20 through 09/30/20
Regular Class	8.47%	10.00%
Senior Management Service Class	25.41%	27.29%
Special Risk Class	25.48%	24.45%
Drop	14.60%	16.98%

The employer contribution rates include a 1.66% HIS Plan subsidy. Except for the DROP, the rates also include 0.06% for administrative costs of the Public Employee Optional Retirement Program.

For the fiscal year ended September 30, 2020, the Town made contributions of \$351,538 to the Pension Plan and the Town's employees made contributions of \$39,358, for total contributions of \$390,896.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2020, the Town reported a liability of \$4,590,614 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Town's proportionate share of the net pension liability was based on the Town's 2019-20 plan year contributions relative to the 2019-20 plan year contributions of all participating members. At June 30, 2020, the Town's proportionate share was 0.010591734 percent, which was an increase of 0.000656975 percent from its proportionate share measured as of June 30, 2019.

For the fiscal year ended September 30, 2020, the Town recognized pension expense of \$1,008,956 related to the Plan. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Descriptions	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 175,692	\$ -
Changes of assumptions	831,047	-
Net difference between projected and actual earnings of pension plan investments	273,330	-
Change in proportion and differences between Town pension plan contributions and proportionate share of contributions	193,017	121,743
Town pension plan contributions subsequent to the measurement date	99,232	-
Total	<u>\$ 1,572,318</u>	<u>\$ 121,743</u>

TOWN OF JUNO BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE E - FLORIDA RETIREMENT SYSTEM (Continued)

The deferred outflows of resources related to the Pension Plan, totaling \$99,232 resulting from Town contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2021	\$ 300,920
2022	426,275
2023	352,101
2024	210,113
2025	61,934
Thereafter	-
	\$ 1,351,343

Actuarial Assumptions: The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	July 1, 2020
Measurement date	June 30, 2020
Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.80%, net of pension plan investment expense, including inflation
Mortality	PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018
Actuarial cost method	Individual Entry Age

For the July 1, 2020 valuation date, the inflation rate changed from 2.60% to 2.40% and the investment rate of return changed from 6.90% to 6.80%.

The actuarial assumptions that determined the total pension liability as of June 30, 2020, were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE E - FLORIDA RETIREMENT SYSTEM (Continued)

The long-term expected rate of return on investments is not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Description	(1) Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.2%	2.2%	1.2%
Fixed Income	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real Estate	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
Total	100.0%			
Assumed Inflation - Mean			2.4%	1.7%

(1) As outlined in the Pension Plan's investment policy

Discount Rate: The discount rate used to measure the total pension liability as of June 30, 2020 was 6.80%, which decreased from the discount rate of 6.90% as of June 30, 2019. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Town's Proportionate Share of the Net Position Liability to Changes in the Discount Rate: The following represents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Town's proportionate share of the net pension liability	\$ 7,330,438	\$ 4,590,614	\$ 2,302,300

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE E - FLORIDA RETIREMENT SYSTEM (Continued)

Pension Plan Fiduciary Net Position: Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan: At September 30, 2020, the Town reported a \$46,420 payable for outstanding contributions to the Pension Plan for the fiscal year ended September 30, 2020.

**Retiree Health Insurance Subsidy (HIS) Program**

Plan Description: The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided: For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions: The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2020, the HIS contribution was 1.66%. The Town contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contribution are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Town's contributions to the HIS Plan totaled \$32,717 for the fiscal year ended September 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2020, the Town reported a liability of \$647,694 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Town's proportionate share of the net pension liability was based on the Town's 2019-20 plan year contributions relative to the 2019-20 plan year contributions of all participating members. At June 30, 2020, the Town's proportionate share was 0.005304694 percent, which was an increase of 0.000090233 percent from its proportionate share measured as of June 30, 2019.



TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE E - FLORIDA RETIREMENT SYSTEM (Continued)

For the fiscal year ended September 30, 2020, the Town recognized pension expense of \$52,570. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Descriptions	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 26,495	\$ 500
Changes of assumptions	69,646	37,661
Net difference between projected and actual earnings of pension plan investments	517	-
Change in proportion and differences between Town pension plan contributions and proportionate share of contributions	24,062	22,616
Town pension plan contributions subsequent to the measurement date	8,641	-
	<u>129,361</u>	<u>60,777</u>
Total	<u>\$ 129,361</u>	<u>\$ 60,777</u>

The deferred outflows of resources related to the HIS Plan, totaling \$8,641 resulting from Town contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2021	\$ 17,893
2022	12,341
2023	1,494
2024	8,095
2025	9,932
Thereafter	<u>10,188</u>
	<u>\$ 59,943</u>

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE E - FLORIDA RETIREMENT SYSTEM (Continued)

Actuarial Assumptions: The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions:

Valuation date	July 1, 2020
Measurement date	June 30, 2020
Inflation	2.40%
Salary increases	3.25%, average, including inflation
Municipal bond rate	2.21%
Investment rate of return	N/A
Mortality	Generational PUB-2010 with Projection Scale MP-2018
Actuarial cost method	Individual Entry Age

For the July 1, 2020 valuation date, the inflation rate changed from 2.60% to 2.40%; the municipal bond rate changed from 3.50% to 2.21%; and the mortality assumptions changed from General RP-2000 with projected scale BB to Generational PUB-2010 with Projection Scale MP-2018.

The actuarial assumptions that determined the total pension liability as of June 30, 2020, were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate: The discount rate used to measure the total pension liability as of June 30, 2020 was 2.21%, which decreased from the discount rate of 3.50% as of June 30, 2019. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Town's Proportionate Share of the Net Position Liability to Changes in the Discount Rate:

The following represents the Town's proportionate share of the net pension liability calculated using the discount rate of 2.21%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Town's proportionate share of the net pension liability	\$ 748,706	\$ 647,694	\$ 565,017

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE E - FLORIDA RETIREMENT SYSTEM (Continued)

Pension Plan Fiduciary Net Position: Detailed information regarding the HIS Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan: At September 30, 2020, the Town reported a \$3,856 payable for outstanding contributions to the HIS Plan for the fiscal year ended September 30, 2020.

**Summary Data**

The following table provides a summary of significant information related to the Florida Retirement System defined benefit plans for the year ended September 30, 2020.

Description	Pension Plan	HIS Plan	Total
Proportionate share of total pension liability	\$ 21,703,495	\$ 667,760	\$ 22,371,255
Proportionate share of plan fiduciary net position	17,112,881	20,066	17,132,947
Proportionate share of net pension liability	4,590,614	647,694	5,238,308
Proportionate share of deferred outflows of resources	1,572,318	129,361	1,701,679
Proportionate share of deferred inflows of resources	121,743	60,777	182,520
Pension expense	1,008,956	52,570	1,061,526

**Investment Plan**

Plan Description: The Florida Retirement System Investment Plan is a defined contribution retirement plan qualified under Section 401(a) of the Internal Revenue Code. The Florida Legislature enacted the Plan during the 2000 legislative session, and amendments to the Plan can only be made by an act of the Florida Legislature. The Plan is administered by the State Board of Administration of Florida. The Investment Plan is reported in the SBA’s annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Town employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature.

Funding Policy: The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE E - FLORIDA RETIREMENT SYSTEM (Continued)

Participating employers are required to make contributions based upon statewide contributions rates. The contribution rates by job class for the Town’s employees for the fiscal year ended September 30, 2020, are as follows:

Class	10/01/19 through 06/30/20	07/01/20 through 09/30/20
Regular Class	8.47%	10.00%
Senior Management Service Class	25.41%	27.29%
Special Risk Class	25.48%	24.45%
Drop	14.60%	16.98%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Town.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Town’s Investment Plan pension expense totaled \$49,290 for the fiscal year ended September 30, 2020.

NOTE F - GENERAL EMPLOYEES RETIREMENT PLAN AND TRUST FUND

The Town also provides pension benefits through a defined contribution pension plan administered by the Town through the Florida League of Cities, Inc. At September 30, 2020, there were 19 plan members, including 13 active Plan members. Effective July 1, 2017, the Town amended its retirement policy such that plan members are required to contribute 2% and the Town is required to contribute 8% of Plan members’ covered payroll. The Town’s net pension expense recognized in 2020 was \$67,533. There were no forfeitures

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE F - GENERAL EMPLOYEES RETIREMENT PLAN AND TRUST FUND (Continued)

used to reduce the Town's contribution in 2020. Town contributions vest 50% after 5 years and 10% each year thereafter, until 10 years of service, at which time the contributions are fully vested. Plan provisions and contribution requirements are established and may be amended by the Town Council. The Town's pension trust fund uses the accrual basis of accounting. Employer contributions are recognized in the period that the contributions are due. Plan members may invest their contributions in a variety of mutual funds selected by the Plan administrator. Plan investments are reported at fair value. The investments are valued based on the last reported net asset value of mutual fund shares traded on a national exchange. The fair value of investments of the Plan at September 30, 2020 was \$816,078.

NOTE G - OTHER POSTEMPLOYMENT BENEFITS

**General Information about the Other Postemployment Benefits (OPEB) Plan**

Plan Description: The Town provides a single employer defined benefit health care plan to all of its employees. The plan allows its employees and their beneficiaries to continue to obtain health benefits upon retirement. The benefits of the plan are in accordance with Florida Statutes, which are the legal authority for the plan. A trust has not been established to fund the plan. The plan has no assets and does not issue a separate financial report.

Contributions: The Town does not directly make a contribution to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates as are charged to the Town for active employees by its healthcare provider. However, the Town's actuaries in their actuarial valuation, calculate an offset to the cost of these benefits as an Employer Contribution, based upon an implicit rate subsidy. This offset equals the total age-adjusted costs paid by the Town or its active employees for coverage of the retirees and their dependents for the year net of the retiree's own payments for the year.

Plan Membership: The following table provides a summary of the participants in the plan as of October 1, 2020, the latest valuation date:

Active employees	32
Retirees and beneficiaries receiving benefits	1
Inactive employees not yet receiving benefits	<u>-</u>
Total	<u><u>33</u></u>

**Total OPEB Liability**

As of September 30, 2020, The Town's Total OPEB Liability of \$60,724 was measured as of September 30, 2020, and was determined by the actuarial valuation as of October 1, 2020.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Significant Assumptions: The actuarial methods and significant assumptions used to determine the Town's total OPEB liability for the current year are summarized as follows:

Valuation Date	October 1, 2020
Measurement Date	September 30, 2020
Demographics	Mortality rates, turnover, disability and retirement rates based on the 2019 FRS actuarial experience study report.
Actuarial cost method	Entry Age Normal
Medical trend	Developed using the Society of Actuaries Long-Run Medical Cost Trend Model baseline assumptions related in October 2010 and updated in September 2019. 4.7% per year initially, increasing to 5.2% by 2023, then decreasing to 4.0% by 2075. The ultimate rate is anticipated to be 4.0%.
Amortization	Expected future working lifetime of all participants expected to receive benefits
Remaining amortization period	4 years
Discount rate	2.41%, September 30, 2020 Measurement Date
Mortality rates	Pub-2010 mortality table with generational scale MP-2019

Discount Rate: The Town does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate is a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As of September 30, 2020, the calculation used a rate of 2.41%.

**Changes in the Total OPEB Liability**

The changes in the Total OPEB Liability were as follows for the year ended September 30, 2020:

Balance as of September 30, 2019	\$	126,812
Changes for the Year:		
Service cost		5,248
Interest		3,382
Experience losses/(gains)		(53,543)
Changes in assumptions		(13,528)
Benefit payments		<u>(7,647)</u>
Net changes		<u>(66,088)</u>
Balance as of September 30, 2020	\$	<u>60,724</u>

Changes in Assumptions: All assumptions, methods, and results are based on the fiscal year 2020 GASB 75 actuarial report dated November 2, 2020. Updates were made since the prior valuation to demographic assumptions, medical trend, and the discount rate decreased from 2.75% to 2.41%. The changes were based on FRS experience study, updated Society of Actuaries trend model with elimination of the Cadillac Tax.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following table presents the total OPEB liability of the Town calculated using the current discount rate of 2.41%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.41%) or one percentage point higher (3.41%) than the current rate:

	1% Decrease (1.41%)	Current Discount Rate (2.41%)	1% Increase (3.41%)
Total OPEB Liability	\$ 62,810	\$ 60,724	\$ 58,496

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following table presents the total OPEB liability of the Town calculated using the assumed healthcare cost trend rates (4.7% decreasing to 4.0%), as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.7% decreasing to 3.0%) or one percentage point higher (5.7% decreasing to 5.0%) than the assumed healthcare cost trend rates:

	1% Decrease (3.7% decreasing to 3.0%)	Healthcare cost Trend Rates (4.7% decreasing to 4.0%)	1% Increase (5.7% decreasing to 5.0%)
Total OPEB Liability	\$ 56,230	\$ 60,724	\$ 65,966

**OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB**

For the year ended September 30, 2020, the Town recognized OPEB expense of (\$4,061). At September 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 42,834
Changes of assumptions	4,269	11,853
Total	\$ 4,269	\$ 54,687

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

TOWN OF JUNO BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Fiscal Year Ending September 30,	Amount
2021	\$ (12,691)
2022	(12,691)
2023	(12,693)
2024	(12,343)
2025	-
Thereafter	-
	\$ (50,418)

NOTE H - COMMITMENTS and CONTINGENCIES

Litigation: 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 for which the Town carries commercial insurance. Retention of risks is limited to those risks that are uninsurable and deductibles. The Town has not significantly reduced insurance coverage from the prior year, and there were no settled claims which exceeded insurance coverage during the past three fiscal years.

Florida Statutes limit the Town's maximum loss for most liability claims to \$200,000 per person and \$300,000 per occurrence under the Doctrine of Sovereign Immunity. However, under certain circumstances, a plaintiff can seek to recover damages in excess of statutory limits by introducing a claims bill to the Florida Legislature. The limits addressed in Florida Statutes do not apply to claims filed in Federal courts.

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, for the sharing of costs related to public safety dispatch services. The Agreement was for a five-year period ending September 30, 2016, and was automatically renewed for an additional five-year term. 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 the contracting municipalities being served. The Town's total costs related to this Agreement were \$117,544 for the year ended September 30, 2020.

Encumbrances: At September 30, 2020, the Town had an encumbrance to purchase a vehicle in the amount \$30,382.



TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE I - INDUSTRIAL DEVELOPMENT BONDS

On November 20, 2019, the Town issued \$975,000 of Series 2019A Industrial Development Bonds to provide financial assistance to the Loggerhead Marineline Center, Inc. Project for facility expansions deemed to be in the public interest. The bonds do not represent or constitute a debt, liability, or obligation or pledge of the faith and credit or taxing power of the Town. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2020, there was \$950,133 of the Series 2019A conduit debt outstanding.

NOTE J - SUBSEQUENT EVENTS

The Town received notification from various sources that it would be receiving approximately \$1.5 million from the American Rescue Plan Act (ARPA) of 2021. The Town has received limited information on the parameters of the funding and is anticipating the United States Treasury Department to clarify the guidelines and provide examples of what will be allowable under the new law.

**REQUIRED SUPPLEMENTARY INFORMATION**

TOWN OF JUNO BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Fiscal Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenue</b>				
Ad valorem taxes	\$ 3,012,268	\$ 3,012,268	\$ 3,098,555	\$ 86,287
Local business taxes	63,000	63,000	65,414	2,414
Licenses, permits and fees				
Building permit fees	400,000	400,000	554,088	154,088
County occupational licenses	9,500	9,500	10,966	1,466
Other fees	44,450	44,450	26,297	(18,153)
	<u>453,950</u>	<u>453,950</u>	<u>591,351</u>	<u>137,401</u>
Intergovernmental				
Sales tax	281,799	281,799	257,282	(24,517)
State revenue sharing	95,017	95,017	86,434	(8,583)
Local one-cent sales surtax	249,907	249,907	237,115	(12,792)
Local option gas tax	58,282	58,282	51,658	(6,624)
Alcoholic beverage license	6,500	6,500	6,821	321
Other	10,700	10,700	6,121	(4,579)
	<u>702,205</u>	<u>702,205</u>	<u>645,431</u>	<u>(56,774)</u>
Franchise fees and utility taxes				
Franchise fees	64,500	64,500	71,748	7,248
Utility taxes	615,000	615,000	622,458	7,458
Communication service taxes	354,456	354,456	330,916	(23,540)
	<u>1,033,956</u>	<u>1,033,956</u>	<u>1,025,122</u>	<u>(8,834)</u>
Fines	27,000	27,000	47,922	20,922
Investment earnings	112,500	112,500	152,170	39,670
Impact fees	-	-	668	668
Grants	20,000	20,000	21,227	1,227
Water and sewer improvement fees	22,000	22,000	5,050	(16,950)
Miscellaneous	<u>271,250</u>	<u>271,250</u>	<u>393,244</u>	<u>121,994</u>
Total revenue	<u>\$ 5,718,129</u>	<u>\$ 5,718,129</u>	<u>\$ 6,046,154</u>	<u>\$ 328,025</u>

See notes to budgetary comparison schedule

TOWN OF JUNO BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)

For the Fiscal Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Expenditures</b>				
Administrative				
Salaries	\$ 593,828	\$ 593,828	\$ 600,576	\$ (6,748)
Employee benefits	175,290	175,290	165,781	9,509
Professional fees	68,415	79,162	73,424	5,738
Insurance	215,500	215,500	205,039	10,461
Operating	145,800	150,490	95,425	55,065
Contingency	562,260	318,236	-	318,236
Capital outlay	5,000	5,000	6,635	(1,635)
	<u>1,766,093</u>	<u>1,537,506</u>	<u>1,146,880</u>	<u>390,626</u>
Planning and zoning				
Salaries	315,300	315,300	313,520	1,780
Employee benefits	106,434	106,434	103,056	3,378
Professional fees	67,250	75,847	59,005	16,842
Operating	213,950	318,819	281,455	37,364
Capital outlay	5,000	5,000	4,457	543
	<u>707,934</u>	<u>821,400</u>	<u>761,493</u>	<u>59,907</u>
Public safety				
Police				
Salaries	1,733,077	1,733,077	1,601,383	131,694
Employee benefits	741,387	741,387	658,580	82,807
Professional fees	31,500	32,993	23,803	9,190
Operating	332,087	333,311	297,820	35,491
Capital outlay	110,000	145,000	112,361	32,639
	<u>2,948,051</u>	<u>2,985,768</u>	<u>2,693,947</u>	<u>291,821</u>
Public works				
Salaries	347,725	347,725	345,272	2,453
Employee benefits	110,561	110,561	100,679	9,882
Operating	352,858	387,380	389,484	(2,104)
Capital outlay	459,000	501,882	203,243	298,639
	<u>1,270,144</u>	<u>1,347,548</u>	<u>1,038,678</u>	<u>308,870</u>
 Total expenditures	 <u>\$ 6,692,222</u>	 <u>\$ 6,692,222</u>	 <u>\$ 5,640,998</u>	 <u>\$ 1,051,224</u>

See notes to budgetary comparison schedule

TOWN OF JUNO BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
 NOTES TO BUDGETARY COMPARISON SCHEDULE

September 30, 2020

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 approved by the Town Council. 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 reported in the budget and actual statement differs from the corresponding amount 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	\$ 6,022,461	\$ 5,610,616
Current year encumbrances	-	30,382
Insurance proceeds	17,794	-
Proceeds from sale of capital assets	5,899	-
	<u>\$ 6,046,154</u>	<u>\$ 5,640,998</u>

TOWN OF JUNO BEACH, FLORIDA  
Required Supplementary Information (RSI)  
Schedule of Employer Contributions  
Florida Retirement System  
Pension Plan  
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required FRS contribution	\$ 227,758	\$ 255,181	\$ 280,759	\$ 314,674
FRS contributions in relation to the contractually required contribution	<u>227,758</u>	<u>255,181</u>	<u>280,759</u>	<u>314,674</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 1,540,107	\$ 1,658,127	\$ 1,597,630	\$ 1,704,948
FRS contributions as a percentage of covered payroll	14.79%	15.39%	17.57%	18.46%
	<u>2018</u>	<u>2019</u>	<u>2020</u>	
Contractually required FRS contribution	\$ 333,619	\$ 338,949	\$ 400,828	
FRS contributions in relation to the contractually required contribution	<u>333,619</u>	<u>338,949</u>	<u>400,828</u>	
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Town's covered payroll	\$ 1,717,818	\$ 1,755,625	\$ 1,970,904	
FRS contributions as a percentage of covered payroll	19.42%	19.31%	20.34%	

This schedule is intended to present data for 10 years. For years prior to 2014 data are unavailable. Additional years will be presented as they become available.

TOWN OF JUNO BEACH, FLORIDA  
 Required Supplementary Information (RSI)  
 Schedule of Proportionate Share of Net Pension Liability  
 Florida Retirement System  
 Pension Plan  
 Last Ten Fiscal Years

	2014	2015	2016	2017
Proportion of the FRS net pension liability	0.008812053%	0.009367271%	0.010697672%	0.010755062%
Proportionate share of the FRS net pension liability	\$ 537,665	\$ 1,209,909	\$ 2,701,171	\$ 3,181,275
Town's covered payroll	\$ 1,519,791	\$ 1,611,892	\$ 1,691,469	\$ 1,665,382
Town's proportionate share of the FRS net pension liability as a percentage of covered payroll	35.38%	75.06%	159.69%	191.02%
FRS Plan fiduciary net position as a percentage of the total pension liability	96.10%	92.00%	84.90%	83.90%
	2018	2019	2020	
Proportion of the FRS net pension liability	0.010813716%	0.009934759%	0.010591734%	
Proportionate share of the FRS net pension liability	\$ 3,257,147	\$ 3,421,393	\$ 4,590,614	
Town's covered payroll	\$ 1,759,923	\$ 1,743,939	\$ 1,841,110	
Town's proportionate share of the FRS net pension liability as a percentage of covered payroll	185.07%	196.19%	249.34%	
FRS Plan fiduciary net position as a percentage of the total pension liability	84.30%	82.61%	78.85%	

Changes in Assumptions

The discount rate changed as follows:

2014	7.65%
2015	7.65%
2016	7.60%
2017	7.14%
2018	7.00%
2019	6.90%
2020	6.80%

For 2019, the mortality assumption changed from Generational RP-2000 with Projection Scale BB to PUB2010 base table projected generationally with Scale MP-2018. For 2020, the inflation rate changed from 2.60% to 2.40%.

This schedule is intended to present data for 10 years. For years prior to 2014 data are unavailable. Additional years will be presented as they become available. The amounts presented for each fiscal year were determined as of the June 30 measurement date. The Plan's fiduciary net position as a percentage of the total pension liability is published in the Plan's Comprehensive Annual Financial Report.

TOWN OF JUNO BEACH, FLORIDA  
Required Supplementary Information (RSI)  
Schedule of Employer Contributions  
Florida Retirement System  
Retiree Health Insurance Subsidy Program  
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required HIS contribution	\$ 35,729	\$ 40,031	\$ 29,153	\$ 28,302
HIS contributions in relation to the contractually required contribution	<u>35,729</u>	<u>40,031</u>	<u>29,153</u>	<u>28,302</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 1,540,107	\$ 1,658,127	\$ 1,597,630	\$ 1,704,948
HIS contributions as a percentage of covered payroll	2.32%	2.41%	1.82%	1.66%
	<u>2018</u>	<u>2019</u>	<u>2020</u>	
Contractually required HIS contribution	\$ 28,516	\$ 29,143	\$ 32,717	
HIS contributions in relation to the contractually required contribution	<u>28,516</u>	<u>29,143</u>	<u>32,717</u>	
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Town's covered payroll	\$ 1,717,818	\$ 1,755,625	\$ 1,970,904	
HIS contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	

This schedule is intended to present data for 10 years. For years prior to 2014 data are unavailable. Additional years will be presented as they become available.



TOWN OF JUNO BEACH, FLORIDA  
 Required Supplementary Information (RSI)  
 Schedule of Proportionate Share of Net Pension Liability  
 Florida Retirement System  
 Retiree Health Insurance Subsidy Program  
 Last Ten Fiscal Years

	2014	2015	2016	2017
Proportion of the HIS net pension liability	0.005115156%	0.005313036%	0.005468672%	0.005224773%
Proportionate share of the HIS net pension liability	\$ 478,280	\$ 541,846	\$ 637,351	\$ 558,657
Town's covered payroll	\$ 1,519,791	\$ 1,611,892	\$ 1,691,469	\$ 1,665,382
Town's proportionate share of the HIS net pension liability as a percentage of covered payroll	31.47%	33.62%	37.68%	33.55%
HIS Plan fiduciary net position as a percentage of the total pension liability	1.00%	50.00%	1.00%	1.60%
	2018	2019	2020	
Proportion of the HIS net pension liability	0.005365704%	0.005214461%	0.005304694%	
Proportionate share of the HIS net pension liability	\$ 567,912	\$ 583,446	\$ 647,694	
Town's covered payroll	\$ 1,759,923	\$ 1,743,939	\$ 1,841,110	
Town's proportionate share of the HIS net pension liability as a percentage of covered payroll	32.27%	33.46%	35.18%	
HIS Plan fiduciary net position as a percentage of the total pension liability	2.20%	2.63%	3.00%	

Changes in Assumptions

The discount rate changed as follows:

2014	4.29%
2015	3.80%
2016	2.85%
2017	3.58%
2018	3.87%
2019	3.50%
2020	2.21%

For 2020, the mortality assumption changed from Generational RP-2000 with Projection Scale BB to PUB2010 base table projected generationally with Scale MP-2018 and the inflation rate changed from 2.60% to 2.40%.

This schedule is intended to present data for 10 years. For years prior to 2014 data are unavailable. Additional years will be presented as they become available. The amounts presented for each fiscal year were determined as of the June 30 measurement date. The Plan's fiduciary net position as a percentage of the total pension liability is published in the Plan's Comprehensive Annual Financial Report.

TOWN OF JUNO BEACH, FLORIDA  
Required Supplementary Information (RSI)  
Schedule of Changes in Total Other Postemployment Benefits (OPEB) Liability  
Last Ten Fiscal Years

	2018	2019	2020
<b>Total OPEB Liability</b>			
Service cost	\$ 4,385	\$ 4,344	\$ 5,248
Interest	4,061	4,413	3,382
Experience losses/(gains)	-	-	(53,543)
Changes in assumptions	(2,060)	6,403	(13,528)
Benefit payments	(7,200)	(7,154)	(7,647)
Net change in total OPEB liability	(814)	8,006	(66,088)
Total OPEB liability, beginning of year	119,620	118,806	126,812
Total OPEB liability, end of year	<u>\$ 118,806</u>	<u>\$ 126,812</u>	<u>\$ 60,724</u>
Covered-employee payroll	\$ 1,717,818	\$ 1,755,625	\$ 1,970,904
Total OPEB liability as a percentage of of covered-employee payroll	6.92%	7.22%	3.08%

Changes in Assumptions

The discount rate changed as follows:

September 30, 2017 measurement date	3.50%
September 30, 2018 measurement date	3.83%
September 30, 2019 measurement date	2.75%
September 30, 2020 measurement date	2.41%

For 2020, updates were made since the prior valuation to demographic assumptions, medical trend, and discount rate. The changes were based on FRS experience study, updated Society of Actuaries trend model with elimination of the Cadillac Tax, and current 20-year GO bond rates.

This schedule is intended to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for those years for which information is available. No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4, to pay related benefits.

## **STATISTICAL SECTION**

# STATISTICAL SECTION

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

## Contents

Financial Trends.....57

*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 .....64

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

Debt Capacity .....69

*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.....71

*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.....73

*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)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental activities</b>										
Net investment in capital assets	\$ 6,240,716	\$ 5,966,879	\$ 5,655,467	\$ 5,471,388	\$ 5,262,065	\$ 5,041,308	\$ 4,812,522	\$ 4,720,997	\$ 4,731,528	\$ 4,432,764
Restricted	78,370	74,947	180,193	264,531	286,175	259,835	414,336	672,972	734,678	807,125
Unrestricted	3,592,449	3,483,745	3,837,766	4,268,384	3,027,994	3,131,465	3,174,539	3,027,601	3,078,838	2,713,134
<b>Total governmental activities net position</b>	<b>\$ 9,911,535</b>	<b>\$ 9,525,571</b>	<b>\$ 9,673,426</b>	<b>\$ 10,004,303</b>	<b>\$ 8,576,234</b>	<b>\$ 8,432,608</b>	<b>\$ 8,401,397</b>	<b>\$ 8,421,570</b>	<b>\$ 8,545,044</b>	<b>\$ 7,953,023</b>

**Town of Juno Beach, Florida**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Governmental activities:										
Administrative	\$ 1,223,815	\$ 1,154,942	\$ 1,142,579	\$ 1,286,067	\$ 1,117,904	\$ 1,150,037	\$ 1,215,956	\$ 1,254,622	\$ 1,309,343	\$ 1,356,190
Planning and zoning	563,692	521,451	793,315	975,094	1,048,073	689,144	854,999	747,004	807,333	771,466
Public safety	2,701,459	2,634,853	2,493,518	2,386,448	2,207,642	2,312,737	2,553,105	2,611,871	2,971,718	3,457,854
Public works	1,019,597	970,024	958,797	964,393	981,429	1,016,989	1,072,383	997,871	1,051,419	1,088,524
Interest on long-term debt	8,038	4,896	1,654	-	-	-	-	-	-	-
<b>Total governmental activities expenses</b>	<b>\$ 5,516,601</b>	<b>\$ 5,286,166</b>	<b>\$ 5,389,863</b>	<b>\$ 5,612,002</b>	<b>\$ 5,355,048</b>	<b>\$ 5,168,907</b>	<b>\$ 5,696,443</b>	<b>\$ 5,611,368</b>	<b>\$ 6,139,813</b>	<b>\$ 6,674,034</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Administrative	\$ 24,963	\$ 30,159	\$ 41,801	\$ 62,221	\$ 32,512	\$ 30,592	\$ 25,928	\$ 79,750	\$ 53,695	\$ 22,437
Planning and zoning	239,265	220,981	798,146	1,123,510	1,329,507	582,454	967,769	570,812	826,291	637,766
Public safety	276,737	544,424	483,059	290,519	77,907	44,004	37,307	46,865	143,483	174,919
Public works	79,174	84,217	66,276	65,382	63,089	63,998	64,702	67,976	113,320	76,841
Operating grants and contributions:										
Administrative	3,441	7,477	40,055	8,130	20,845	19,069	18,685	12,709	45,570	57,365
Public safety	21,445	4,053	1,702	12,993	18,042	29,258	16,370	126,107	15,708	43,864
Public works	25,532	29,338	4,218	45,652	18,499	12,182	13,792	44,333	97,818	14,156
Capital grants and contributions:										
Administrative	-	1,473	24,933	33,512	38,457	5,961	8,873	1,736	6,000	-
Public safety	15,025	15,871	55,657	158,752	71,270	24,508	15,961	10,833	664	7,071
Public works	100,193	39,155	61,425	128,886	37,901	82,048	65,342	139,800	50,360	55,994
<b>Total governmental activities program revenues</b>	<b>\$ 785,775</b>	<b>\$ 977,148</b>	<b>\$ 1,577,272</b>	<b>\$ 1,929,557</b>	<b>\$ 1,708,029</b>	<b>\$ 894,074</b>	<b>\$ 1,234,729</b>	<b>\$ 1,100,921</b>	<b>\$ 1,352,909</b>	<b>\$ 1,090,413</b>
<b>Net (expense)/revenue</b>	<b>\$ (4,730,826)</b>	<b>\$ (4,309,018)</b>	<b>\$ (3,812,591)</b>	<b>\$ (3,682,445)</b>	<b>\$ (3,647,019)</b>	<b>\$ (4,274,833)</b>	<b>\$ (4,461,714)</b>	<b>\$ (4,510,447)</b>	<b>\$ (4,786,904)</b>	<b>\$ (5,583,621)</b>
Governmental activities										

(Continued)

**Town of Juno Beach, Florida**  
**Changes in Net Position (continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 2,612,852	\$ 2,560,031	\$ 2,613,164	\$ 2,579,423	\$ 2,582,353	\$ 2,671,501	\$ 2,779,013	\$ 2,810,876	\$ 2,905,591	\$ 3,098,555
Franchise fees	56,331	59,072	53,049	61,911	70,185	65,460	64,644	65,601	69,149	71,748
Utility service taxes	821,086	843,025	858,189	891,862	880,206	878,524	896,229	962,455	985,421	953,374
Local business taxes	57,372	58,512	57,010	59,807	57,413	60,050	62,379	64,346	60,513	65,414
Local one-cent sales tax	-	-	-	-	-	-	162,756	242,024	250,248	237,115
State shared revenue, unrestricted	382,536	351,969	357,937	378,825	394,844	403,056	416,487	430,270	441,176	408,316
Investment earnings	47,828	50,445	21,097	41,494	56,422	52,616	48,995	85,018	198,280	152,170
Gain on disposal of capital assets	-	-	-	-	-	-	-	5,893	-	4,908
<b>Total governmental activities</b>	<u>3,978,005</u>	<u>3,923,054</u>	<u>3,960,446</u>	<u>4,013,322</u>	<u>4,041,423</u>	<u>4,131,207</u>	<u>4,430,503</u>	<u>4,666,483</u>	<u>4,910,378</u>	<u>4,991,600</u>
<b>Changes in Net Position</b>										
Governmental activities	\$ (752,821)	\$ (385,964)	\$ 147,855	\$ 330,877	\$ 394,404	\$ (143,626)	\$ (31,211)	\$ 156,036	\$ 123,474	\$ (592,021)

**Town of Juno Beach, Florida**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year			
	2011	2012	2013	2014
<b>General Fund</b>				
Non Spendable:				
Prepaid items	\$ 45,605	\$ 45,820	\$ 48,493	\$ 46,141
Restricted for:				
Capital projects	45,076	46,709	150,338	218,848
Law enforcement	33,294	28,238	29,855	45,683
Building code enforcement	-	-	-	-
Assigned to:				
Subsequent year's budget	900,000	970,000	954,000	575,000
Law enforcement	92,500	-	-	-
Public works	-	-	-	-
Specific projects	-	-	54,410	-
Unassigned	2,780,475	2,703,862	3,034,008	3,908,670
Total General Fund	<u>\$ 3,896,950</u>	<u>\$ 3,794,629</u>	<u>\$ 4,271,104</u>	<u>\$ 4,794,342</u>



<b>Fiscal Year</b>					
<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ 47,819	\$ 48,405	\$ 52,899	\$ 69,983	\$ 93,176	\$ 90,239
218,234	185,948	342,353	494,104	525,154	620,013
67,941	73,887	71,983	178,868	140,256	140,256
-	-	-	-	69,268	46,856
675,000	740,000	740,000	750,000	750,000	750,000
-	-	-	-	-	-
-	-	-	-	-	30,382
-	-	-	49,700	-	-
4,260,439	4,501,399	4,830,469	5,024,907	5,647,118	5,982,764
<u>\$ 5,269,433</u>	<u>\$ 5,549,639</u>	<u>\$ 6,037,704</u>	<u>\$ 6,567,562</u>	<u>\$ 7,224,972</u>	<u>\$ 7,660,510</u>

**Town of Juno Beach, Florida**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year			
	2011	2012	2013	2014
<b>Revenues</b>				
Ad valorem taxes	\$ 2,612,852	\$ 2,560,031	\$ 2,613,164	\$ 2,579,423
Local business taxes	57,372	58,512	57,010	59,807
Licenses, permits and fees	239,473	219,518	797,869	1,112,873
Intergovernmental	382,536	351,969	357,937	378,825
Franchise fees and utility taxes	877,417	902,097	911,238	953,773
Fines	268,499	532,855	453,648	279,517
Investment earnings	57,828	50,445	21,097	41,494
Impact fees	-	1,633	28,379	37,142
Grants	117,711	38,070	64,711	78,306
Water and sewer improvement fees	500	2,350	11,625	3,650
Miscellaneous	134,110	153,384	216,822	372,417
<b>Total revenues</b>	<b>4,748,298</b>	<b>4,870,864</b>	<b>5,533,500</b>	<b>5,897,227</b>
<b>Expenditures</b>				
Current				
Administrative	974,177	936,567	982,997	1,157,626
Planning and zoning	554,060	526,130	782,026	972,721
Public safety	2,554,653	2,501,558	2,369,968	2,254,110
Public works	764,203	722,317	715,833	719,247
Capital outlay	337,267	223,691	127,452	320,739
Debt service				
Principal	88,476	91,564	94,759	-
Interest	8,038	4,896	1,654	-
<b>Total expenditures</b>	<b>5,280,874</b>	<b>5,006,723</b>	<b>5,074,689</b>	<b>5,424,443</b>
Revenues over (under) expenditures	(532,576)	(135,859)	458,811	472,784
<b>Other financing sources (uses)</b>				
Insurance proceeds	25,532	29,338	4,218	45,652
Proceeds from sale of capital assets	52,646	4,200	13,446	4,802
<b>Total other financing sources (uses)</b>	<b>78,178</b>	<b>33,538</b>	<b>17,664</b>	<b>50,454</b>
Net change in fund balance	\$ (454,398)	\$ (102,321)	\$ 476,475	\$ 523,238
Debt service as a percentage of non-capital expenditures	1.95%	2.02%	1.95%	0.00%

Fiscal Year						
	2015	2016	2017	2018	2019	2020
\$	2,582,353	\$ 2,671,501	\$ 2,779,013	\$ 2,810,876	\$ 2,905,591	\$ 3,098,555
	57,413	60,050	62,379	64,346	60,513	65,414
	1,296,258	584,760	940,930	525,335	750,352	591,351
	394,844	403,056	579,243	672,294	691,424	645,431
	950,391	943,984	960,873	1,028,056	1,054,570	1,025,122
	64,774	19,338	31,607	48,150	79,291	47,922
	56,422	52,616	48,995	85,018	198,280	152,170
	42,623	6,607	9,834	1,924	32,756	668
	82,818	10,557	54,396	89,994	146,482	21,227
	11,800	13,250	17,685	5,575	43,920	5,050
	191,257	223,739	170,735	423,325	273,185	369,551
	<u>5,730,953</u>	<u>4,989,458</u>	<u>5,655,690</u>	<u>5,754,893</u>	<u>6,236,364</u>	<u>6,022,461</u>
	1,028,733	1,010,450	1,059,711	1,105,663	1,133,465	1,140,245
	1,042,961	681,190	848,369	737,962	804,014	757,036
	2,187,648	2,023,690	2,170,720	2,254,390	2,387,312	2,581,586
	742,468	761,215	819,140	750,245	794,434	835,435
	292,171	289,356	293,732	394,479	491,790	296,314
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>5,293,981</u>	<u>4,765,901</u>	<u>5,191,672</u>	<u>5,242,739</u>	<u>5,611,015</u>	<u>5,610,616</u>
	436,972	223,557	464,018	512,154	625,349	411,845
	18,499	35,823	9,542	6,618	26,923	17,794
	19,620	20,826	14,505	11,086	5,138	5,899
	<u>38,119</u>	<u>56,649</u>	<u>24,047</u>	<u>17,704</u>	<u>32,061</u>	<u>23,693</u>
\$	<u>475,091</u>	<u>\$ 280,206</u>	<u>\$ 488,065</u>	<u>\$ 529,858</u>	<u>\$ 657,410</u>	<u>\$ 435,538</u>
	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

## Town of Juno Beach, Florida

### Assessed Value and Estimated Actual Value of Taxable Property

#### Last Ten Fiscal Years

Fiscal Year	Assessed Value			Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Personal Property	Total			
2011	1,059,292,768	66,162,512	1,125,455,280	2.9000	1,184,689,768	95.0%
2012	1,042,990,033	61,163,441	1,104,153,474	2.9000	1,162,266,815	95.0%
2013	1,056,532,092	58,980,989	1,115,513,081	2.8786	1,174,224,296	95.0%
2014	1,083,618,120	63,174,654	1,146,792,774	2.7990	1,207,150,288	95.0%
2015	1,206,983,652	70,366,396	1,277,350,048	2.5760	1,344,578,998	95.0%
2016	1,342,218,555	77,966,099	1,420,184,654	2.4288	1,494,931,215	95.0%
2017	1,553,810,593	91,022,011	1,644,832,604	2.2545	1,731,402,741	95.0%
2018	1,626,602,768	98,909,077	1,725,511,845	2.1337	1,816,328,258	95.0%
2019	1,663,302,905	103,845,557	1,767,148,462	2.1000	1,860,156,276	95.0%
2020	1,728,131,034	203,168,565	1,931,299,599	2.0079	2,032,946,946	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**  
**(Millage Rate Per \$1,000 of Assessed Value)**

<b>Fiscal Year</b>	<b>Total Assessed Value</b>	<b>Exempt Value</b>	<b>Nonexempt Value</b>	<b>Total Millage Rate</b>	<b>Operating Millage Rate</b>
<b>2011</b>	1,125,455,280	191,010,795	934,444,485	2.9000	2.9000
<b>2012</b>	1,104,153,474	184,721,632	919,431,842	2.9000	2.9000
<b>2013</b>	1,115,513,081	184,549,089	930,963,992	2.8786	2.8786
<b>2014</b>	1,146,792,774	189,734,079	957,058,695	2.7990	2.7990
<b>2015</b>	1,277,350,048	235,991,477	1,041,358,571	2.5760	2.5760
<b>2016</b>	1,420,184,654	282,449,207	1,137,735,447	2.4288	2.4288
<b>2017</b>	1,644,832,604	369,930,865	1,274,901,739	2.2545	2.2545
<b>2018</b>	1,725,511,845	356,747,965	1,368,763,880	2.1337	2.1337
<b>2019</b>	1,767,148,462	331,400,845	1,435,747,617	2.1000	2.1000
<b>2020</b>	1,931,299,599	330,558,297	1,600,741,302	2.0079	2.0079

Source: Palm Beach County Property Appraiser's Office

**Town of Juno Beach, Florida**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(Millage Rate Per \$1,000 of Assessed Value)**

Fiscal Year Ending September 30,	Town Direct Rate (1)	Overlapping Rates				Total All
	General Fund	School District	Palm Beach County	Fire / Rescue MSTU #2	Special Taxing Districts	
2011	2.9000	8.1540	4.9960	3.4581	3.2982	22.8063
2012	2.9000	8.1800	4.9925	3.4581	3.0878	22.6184
2013	2.8786	7.7780	4.9902	3.4581	3.0584	22.1633
2014	2.7990	7.5860	4.9852	3.4581	2.9709	21.7992
2015	2.5760	7.5940	4.9729	3.4581	2.9041	21.5051
2016	2.4288	7.5120	4.9277	3.4581	2.8175	21.1441
2017	2.2545	7.0700	4.9142	3.4581	2.6531	20.3499
2018	2.1337	6.7690	4.9023	3.4581	2.4798	19.7429
2019	2.1000	6.5720	4.8980	3.4581	2.3863	19.4144
2020	2.0079	7.1640	4.8580	3.4581	2.3741	19.8621

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

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

## Town of Juno Beach, Florida

### Principal Property Tax Payers

#### Current Year and Nine Years Ago

	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Town Taxable Assessed Value
NextEra Energy, Inc. (Florida Power & Light Company, Land Resources Inv. Co.)	\$ 313,554,526	1	19.59%	\$ 118,063,345	1	12.63%
Juno Corp. (Villas of Juno Beach)	25,605,443	2	1.60%	11,935,672	2	1.28%
Lifespace Communities, Inc. (The Waterford)	22,250,818	3	1.39%	11,352,831	3	1.21%
Delay Property Investment, Inc. (Plaza La Mer)	15,205,761	4	0.95%	10,000,000	4	1.07%
Tire Kingdom, Inc. (Corporate Office)	12,419,079	5	0.78%	5,792,528	7	0.62%
TST Beach House LLC (Seminole Plaza)	11,934,765	6	0.75%	6,157,507	6	0.66%
Seminole Golf Club (Golf Club)	11,086,353	7	0.69%	7,044,957	5	0.75%
Loggerhead Associates, Ltd. (Loggerhead Plaza)	11,066,642	8	0.69%	4,212,283	10	0.45%
Jagi Juno LLC (Holiday Inn)	8,304,540	9	0.52%	4,316,123	9	0.46%
307 Alicante Drive Realty Land Trust (Private Residence)	7,564,366	10	0.47%	-	-	-
Juno Square, LLP (Juno Square Plaza)	-	-	-	4,968,528	8	0.53%
<b>Totals</b>	<b>\$ 438,992,293</b>		<b>27.43%</b>	<b>\$ 183,843,774</b>		<b>19.66%</b>

Source: Palm Beach County Property Appraiser's Office

**Town of Juno Beach, Florida**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ending September 30,</b>	<b>Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Property Tax Collections</b>	<b>Collections as a Percent of Current Levy</b>
2011	2,699,385	2,608,360	96.63%	4,424	2,612,784	96.79%
2012	2,664,552	2,517,165	94.47%	42,966	2,560,131	96.08%
2013	2,681,075	2,579,723	96.22%	33,260	2,612,983	97.46%
2014	2,678,966	2,577,035	96.20%	803	2,577,838	96.23%
2015	2,683,578	2,574,611	95.94%	6,035	2,580,646	96.16%
2016	2,762,994	2,666,593	96.51%	3,656	2,670,249	96.64%
2017	2,876,384	2,772,222	96.38%	7,124	2,779,346	96.63%
2018	2,922,582	2,815,345	96.33%	50	2,815,395	96.33%
2019	3,018,089	2,905,633	96.27%	2,653	2,908,286	96.36%
2020	3,118,931	3,096,157	99.27%	-	3,096,157	99.27%

Note: All property taxes are assessed and collected by the Palm Beach County Tax Collector 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			
2011	\$ 186,323	\$ 186,323	N/A	\$ 59
2012	94,759	94,759	N/A	29
2013	-	-	N/A	-
2014	-	-	N/A	-
2015	-	-	N/A	-
2016	-	-	N/A	-
2017	-	-	N/A	-
2018	-	-	N/A	-
2019	-	-	N/A	-
2020	-	-	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, 2020**

	<b>Total Outstanding</b>	<b>Percentage Applicable to Town of Juno Beach<sup>(1)</sup></b>	<b>Amount Applicable to Town of Juno Beach</b>
Direct:			
Town of Juno Beach	\$ -	-	\$ -
Overlapping:			
Palm Beach County <sup>(2)</sup>	\$ 44,740,000	0.79%	353,446
Palm Beach County School District <sup>(3)</sup>	1,474,433,000	0.79%	11,648,021
Total overlapping debt	1,519,173,000		12,001,467
<b>Total direct and overlapping debt payable from ad valorem taxes</b>	<b>\$ 1,519,173,000</b>		<b>\$ 12,001,467</b>
Estimated population			3,463
Total direct and overlapping debt per capita			\$ 3,466

NOTES:

<sup>(1)</sup> Based on Ratio of Assessed Taxable Values

<sup>(2)</sup> Source: Palm Beach County, Florida, Budget Office

<sup>(3)</sup> Source: Palm Beach County School Board, Finance Department

The Town of Juno Beach has no legal debt margin  
As of April 1, 2013, the Town had no outstanding debt

**Town of Juno Beach, Florida**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Town Population<sup>(1)</sup></b>	<b>Town Median Age<sup>(1)</sup></b>	<b>County Population<sup>(2)</sup></b>	<b>County Median Age<sup>(2)</sup></b>	<b>County per Capita Personal Income<sup>(2)</sup></b>	<b>County Total Personal Income (\$000)<sup>(2)</sup></b>	<b>County School Enrollment<sup>(4)</sup></b>	<b>County Unemployment Rate<sup>(3)</sup> (September)</b>
<b>2011</b>	3,181	60.1	1,325,758	43.3	57,789	77,249,467	176,901	10.9%
<b>2012</b>	3,233	64.2	1,335,415	43.5	62,780	85,062,731	179,494	9.3%
<b>2013</b>	3,191	64.2	1,345,652	43.7	60,974	83,928,862	182,899	7.1%
<b>2014</b>	3,194	64.2	1,360,238	43.9	66,201	92,592,527	186,598	6.0%
<b>2015</b>	3,240	64.2	1,378,417	44.1	70,278	100,093,764	189,195	5.2%
<b>2016</b>	3,351	64.2	1,391,741	44.3	71,373	103,553,784	192,721	5.2%
<b>2017</b>	3,400	N/A	1,414,144	44.3	77,041	113,276,100	193,460	4.0%
<b>2018</b>	3,427	N/A	1,433,417	44.4	81,445	120,772,867	194,186	3.1%
<b>2019</b>	3,442	N/A	1,447,857	44.2	83,268	124,632,614	196,331	3.2%
<b>2020</b>	3,463	N/A	1,466,494	N/A	N/A	N/A	188,832	6.6%

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, PK-12 Portal, District Enrollment (Fall Enrollment), <https://edstats.fldoe.org/>
- (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

#### Current Year and Nine Years Ago

	2020 <sup>(1)</sup>			2011 <sup>(1)</sup>		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
<b>Employer</b>						
Palm Beach County School District	22,049	1	N/A	21,495	1	N/A
Tenet Health Coastal Division - PBC	6,505	2	N/A	6,100	3	N/A
Palm Beach County - BOCC	5,438	3	N/A	11,381	2	N/A
NextEra Energy/Florida Power & Light	4,807	4	N/A	3,632	4	N/A
Florida Atlantic University	2,898	5	N/A	2,706	7	N/A
Hospital Corporation of America - HCA	2,806 *	6	N/A	2,714	6	N/A
Boca Raton Regional Hospital	2,800 *	7	N/A	2,250	9	N/A
Veterans Health Administration	2,700 *	8	N/A	-	-	-
The Breakers	2,300	9	N/A	-	-	-
Bethesda Hospitals	2,282 *	10	N/A	2,391	8	N/A
G4S Hdqtrrs (formerly Wackenhut Corporation)	-	-	-	3,000	5	N/A
Office Depot Headquarters	-	-	-	2,250	9	N/A
Totals	<u>54,585</u>		<u>N/A</u>	<u>57,919</u>		<u>N/A</u>

(1) Source: Business Development Board of Palm Beach County

Data is for Palm Beach County, Florida from January 2020 and December 2011

\* Denotes estimate

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administrative										
Administration	4	4	4	4	4	4	4	4	4	4
Finance	2	2	2	2	2	2	2	2	2	2
Planning and Zoning	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.75	4.875
Public Safety										
Police officers	16	16	16	16	16	16	16	16	16	16
911 Dispatch	5	-	-	-	-	-	-	-	-	-
Administrative	2	2	2	2	2	2	2	2	2	2
Public Works	5	5	5	5	5	5	5	5	5	5
<b>Total</b>	<b>38.5</b>	<b>33.5</b>	<b>33.5</b>	<b>33.5</b>	<b>33.5</b>	<b>33.5</b>	<b>33.5</b>	<b>33.5</b>	<b>33.75</b>	<b>33.875</b>

Sources: Town departments

**Town of Juno Beach, Florida**  
**Operating Indicators by Function / Program**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Public Safety</b>										
<b>Police</b>										
Citations	2,073	1,963	1,530	1,354	1,352	1,069	965	676	817	404
Parking violations	171	187	59	66	46	48	87	24	22	60
House checks	692	923	929	1,413	1,141	1,195	1,210	828	698	666
Business checks	13,984	16,224	12,862	11,376	17,929	18,062	16,320	8,471	8,770	8,886
Reports	664	537	548	567	639	550	610	553	618	431
Crash reports	109	128	112	116	139	130	115	90	102	83
Arrests	226	147	157	131	221	169	217	89	61	37
<b>Planning and Zoning</b>										
Number of building permits	641	706	937	1,215	1,358	1,217	1,151	1,261	587	608
Value of building permits	\$ 7,369,411	\$ 6,709,544	\$ 24,017,342	\$ 45,491,615	\$ 41,056,680	\$ 18,459,686	\$ 30,911,629	\$ 16,674,463	\$ 26,710,499	\$ 27,273,447
<b>Roads and Streets</b>										
Street resurfacing (centerline miles)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0

Sources: Town departments

**Town of Juno Beach, Florida**  
**Capital Asset Statistics by Function / Program**  
**Last Ten Fiscal Years**

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Administrative</b>										
Facilities (Town Center)	1	1	1	1	1	1	1	1	1	1
<b>Planning and Zoning</b>										
Vehicles	2	2	2	2	2	2	2	2	2	2
<b>Public Safety</b>										
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	17	18	15	15	15	15	15	16	18	19
<b>Public Works</b>										
Facilities	3	3	3	3	3	3	3	3	3	3
Vehicles	6	7	7	7	7	7	7	7	7	7
Basketball courts	1	1	1	1	1	1	1	1	1	1
Playground	1	1	1	1	1	1	1	1	1	1
Parks	2	2	2	2	2	2	2	3	3	3
Dune walkovers	8	8	8	8	7	7	7	7	7	7
<b>Road and Streets</b>										
Lane miles	8	8	8	8	8	8	8	8	8	8

Sources: Town departments

**COMPLIANCE REPORTS AND  
MANAGEMENT LETTER**





# NOWLEN, HOLT & MINER, P.A.

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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

BELLE GLADE OFFICE  
333 S.E. 2nd STREET  
POST OFFICE BOX 338  
BELLE GLADE, FLORIDA 33430-0338  
TELEPHONE (561) 996-5612  
FAX (561) 996-6248

The Honorable Mayor and Members of the Town Council  
Town of Juno Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the each major fund, and aggregate remaining fund information of the Town of Juno Beach, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Juno Beach's basic financial statements and have issued our report thereon dated March 24, 2021.

### Internal Control Over Financial Reporting

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

*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 Town of Juno Beach, Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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.

West Palm Beach, Florida  
March 24, 2021

*Nowlen, Holt & Mimes, P.A.*



# NOWLEN, HOLT & MINER, P.A.

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## MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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TELEPHONE (561) 996-5612  
FAX (561) 996-6248

The Honorable Mayor and Members of the Town Council  
Town of Juno Beach, Florida

### Report on the Financial Statements

We have audited the financial statements of the Town of Juno Beach, Florida, as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 24, 2021.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 24, 2021, should be considered in conjunction with this Management Letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this Management Letter, unless disclosed in the notes to the financial statements. This information was disclosed in Note 1 to the financial statements. There were no component units included in the Town of Juno Beach, Florida's financial statements.

## **Financial Condition and Management**

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Town of Juno Beach, Florida. It is management's responsibility to monitor the Town of Juno Beach, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. Our assessment was done as of the fiscal year end. The results of our procedures did not disclose any matters that are required to be reported.

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

## **Special District Component Units**

Section 10.554(1)(i)5.c, Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

## **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

## **Single Audits**

The Town of Juno Beach, Florida expended less than \$750,000 of federal awards and less than \$750,000 of state financial assistance for the fiscal year ended September 30, 2020, and was not required to have a federal single audit or a state single audit.

## **Purpose of this Letter**

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

*Nowlen, Holt & Miner, P.A.*

West Palm Beach, Florida  
March 24, 2021



**NOWLEN, HOLT & MINER, P.A.**

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INDEPENDENT ACCOUNTANT’S REPORT  
ON COMPLIANCE WITH SECTION 218.415,  
FLORIDA STATUTES

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BELLE GLADE, FLORIDA 33430-0338  
TELEPHONE (561) 996-5612  
FAX (561) 996-6248

The Honorable Mayor and Members of the Town Council  
Town of Juno Beach, Florida

We have examined the Town of Juno Beach, Florida’s compliance with Section 218.415, Florida Statutes during the year ended September 30, 2020. Management of the Town of Juno Beach, Florida is responsible for the Town of Juno Beach, Florida’s compliance with the specified requirements. Our responsibility is to express an opinion on the Town of Juno Beach, Florida’s compliance with the specified requirements based on our examination.

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

Our examination does not provide a legal determination on the Town of Juno Beach, Florida’s compliance with the specified requirements.

In our opinion, the Town of Juno Beach, Florida complied, in all material respects, with Section 218.415, Florida Statutes for the year ended September 30, 2020.

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

*Nowlen, Holt & Miner, P.A.*

West Palm Beach, Florida  
March 24, 2021

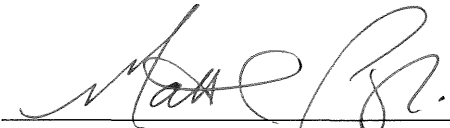
**IMPACT FEE AFFIDAVIT**

**IMPACT FEE AFFIDAVIT**

BEFORE ME, the undersigned authority, personally appeared Matthew Pazanski, who being duly sworn, deposes and says on oath that:

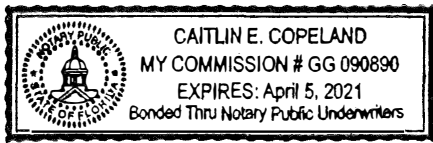
1. I am the Chief Financial Officer of the Town of Juno Beach which is a local governmental entity of the State of Florida;
2. The governing body of the Town of Juno Beach adopted Ordinance No. 452 implementing an impact fee; and
3. The Town of Juno Beach has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

  
 \_\_\_\_\_  
 Matthew Pazanski, Finance Director

STATE OF FLORIDA  
COUNTY OF PALM BEACH

SWORN TO AND SUBSCRIBED before me this 24<sup>th</sup> day of March, 2021.



  
 \_\_\_\_\_  
 NOTARY PUBLIC

Print Name Caitlin E. Copeland

Personally known  or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires:

April 5, 2021