

Annual Comprehensive Financial Report



**Fiscal Year Ended
September 30, 2022**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

TOWN OF JUNO BEACH, FLORIDA

Fiscal Year Ended September 30, 2022

Prepared by the Finance Department

TOWN OF JUNO BEACH, FLORIDA

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INTRODUCTORY SECTION



TOWN OF JUNO BEACH
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March 29, 2023

Mayor DD Halpern
Vice-Mayor Elaine K. Cotronakis
Vice-Mayor Pro Tem Peggy L. Wheeler
Councilmember Alexander R. Cooke
Councilmember Jason S. Haselkorn

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 annual comprehensive financial report of the Town of Juno Beach for the fiscal year ended September 30, 2022.

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, 2022 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, 2022 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 4 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. Beginning with the 2024 election, the voters of the Town will elect the Mayor, who will serve a two-year term. The Councilmembers will select a vice mayor and vice mayor pro-tem annually. 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 WM, Inc. (formerly Waste Management) until September 2027. 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 2024.

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. 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. 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:

Beach	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.
Juno Beach Pier	The Town has a County owned and operated 990-foot pier at its northern edge. It is visited and enjoyed by sightseers and fishermen from all over.
Loggerhead Marinelife Center/ Turtle Nesting	The Town's coastline is one of the highest density nesting areas for sea turtles in the world. The Loggerhead Marinelife Center (LMC), a not-for-profit organization, monitors the nests and is dedicated to promoting the

conservation of Florida’s coastal ecosystem through education, research and rehabilitation with a special focus on threatened and endangered sea turtles. The LMC is located in the County owned Loggerhead Park.

Environmentally Sensitive Lands

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

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 Marinelifelife 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 3,869. 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 2021/2022:

- Several new single-family homes throughout Town
- Loggerhead Marinelife Center Expansion

The Town had the following projects that were in progress or started during 2021/2022:

- Ocean One - 11 2-family homes
- 461 Venus Drive - 2-family home project
- Several new single-family homes throughout Town
- The Waterford Campus Remodel (Site Plan Process)

The Town had the following projects approved during 2021/2022:

- Caretta - an infill mixed-use project featuring 94 multi-family residential units, 13,978sf-retail use, 2,000sf-office space, 7,112sf-restaurant space, and 2,500sf-outdoor dining space.

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

NextEra Energy, Inc. (NEE), encompasses approximately one million square feet of office space at their Juno Beach headquarters. NEE is ranked No. 1 in the electric and gas utilities industry in Fortune's 2023 list of "World's Most Admired Companies" and they are the parent company of Florida Power & Light Company (FPL) and NextEra Energy Resources, LLC (NEER). FPL serves more than 12 million people through approximately 5.8 million customer accounts in Florida and is one of the largest rate-regulated electric utilities in the United States. NEER, which together with its affiliated entities, is the world's largest generator of renewable energy from the wind and sun and world leader in battery storage.

Document Storage Systems (DSS), Inc. was founded in 1991 and is an internationally recognized health information software development and systems integration company headquartered in Juno Beach. DSS provides services and solutions used daily by thousands of clinicians and administrative staff nationwide, in the public and private sectors, with a heavy focus on serving the Veterans Health Administration (VHA).

Future Economic Outlook

During the COVID-19 pandemic, South Florida was the recipient of a significant influx of remote workers moving from many other states. Florida's unemployment rate is currently 2.6%. The Florida statewide unemployment rate has been lower than the national rate for 27 consecutive months since November 2020. The strong employment rate has had a dramatic increase to sales tax receipts for the first several months of FY 2023. Tourism is strong and the overall Florida housing sector is stable even with the current rising interest rate market; rents and home sale prices have increased significantly.

The United States GDP growth defied expectations in late 2022 and early 2023 data has shown unexpected strength. The US economy, and especially the US consumer, has resisted the dual headwinds of high inflation and rising interest rates. The Conference Board continues to forecast that the US economy will slip into recession in 2023 and expect GDP growth to contract for three consecutive quarters starting in Q2 2023.

Economic risks will continue with some more significant than others, the potential of global trade issues, the burden of our very high national debt, inflation, political unrest and domestic political stalemates.

The Town of Juno Beach's property values have increased eleven years in a row, including the 2023 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 stable 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 Town is coordinating with the Palm Beach County Engineering and Public Works Department to resurface Ocean Drive from US Highway 1 to Donald Ross Road. In addition to the paving project, the agencies are coordinating improvements and upgrades to the stormwater drainage system along Ocean Drive with added enhancements such as littoral shelves to Pelican Lake to improve the overall water quality of the lake.

The Town has been awarded a Florida Recreation Development Assistance Program (FRDAP) grant in the amount of \$50,000. The award will be used to upgrade and replace the adult exercise equipment in Kagan Park. Over the years, the Town has been the recipient of several FRDAP grants and has made improvements to Kagan Park, gazebos, dune walkovers, Pelican Lake Park and many other amenities throughout Juno Beach.

Universe Boulevard and its adjacent property owners are the recipients of a much-needed grant to help with the improvements to the aging stormwater conveyance system. The State of Florida has awarded the Town of Juno Beach a grant up to \$1,050,000 to be used towards this mitigation project. This is approximately 40% of the projected cost of the project. The drainage system which services the properties on Universe Boulevard conveys stormwater runoff through a 45-year-old corrugated metal pipe which outfalls into the Intracoastal Waterway. It is anticipated that the project will be started this summer.

During FY 2022 the Town approved the Caretta development project. Caretta is an infill mixed-use project that includes; 94 multi-family residential units, commercial, retail, office, and restaurant space, it is located at U.S. Highway 1 and Donald Ross Road. The developer, Jim Letchinger founder of JDL Development, will contribute \$500,000 toward the capital cost of the expansion of the Town's Police department building.

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.

The Juno Beach Police Department achieved State Law Enforcement Accreditation from the Florida Law Enforcement Accreditation Commission. The department was assessed in December 2022, and was officially awarded accreditation February 23, 2023. The assessment involved diligent work by all members of the Police Department, showing compliance in over 250 individual best practice law enforcement standards. The department has been working toward this accomplishment for several years and was the culmination of efforts by all department members, from the Chief to the patrol level. Achieving accreditation validates the high level of service we endeavor to provide to the community of Juno Beach each day.

The American Rescue Plan Act has bestowed \$1.8 million to the Town to be used for general government services including any service traditionally provided by a government, including road building and maintenance, and other infrastructure, health and educational services, general government administration, staff, and administrative facilities, environmental remediation, provision of police, fire, and

other public safety services. Funds must be appropriated by December 31, 2024 and completely expended by December 31, 2026.

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 \$1,509,232 in Surtax revenue through fiscal year 2022. 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. 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.
- All of the Town's 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.
- 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 and Equipment:

- Police Vehicles (3)
- Stormwater Improvement Projects
- Sidewalk at Atlantic Boulevard
- Pelican Lake Improvements

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, FL PALM, and the Florida Municipal Investment Trust. The average yield on all investments was 0.51 percent for the 12-month period ending September 30, 2022. 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, 2023, 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 annual comprehensive financial report for the fiscal year ended September 30, 2021. The Certificate of Achievement is a prestigious national award recognizing achievement of the highest standards for preparation of state and local government financial reports.

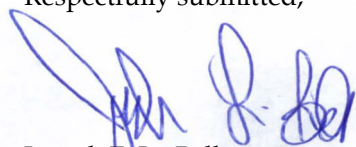
In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such an annual comprehensive financial report must satisfy both U.S. generally accepted accounting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

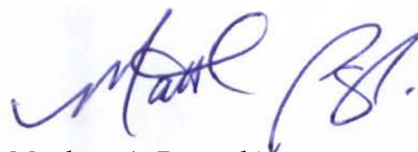
Acknowledgements: The preparation of this report on a timely basis could not have been accomplished without the cooperation and dedicated service of the entire staff of the Town and the efficient assistance of the independent auditors.

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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

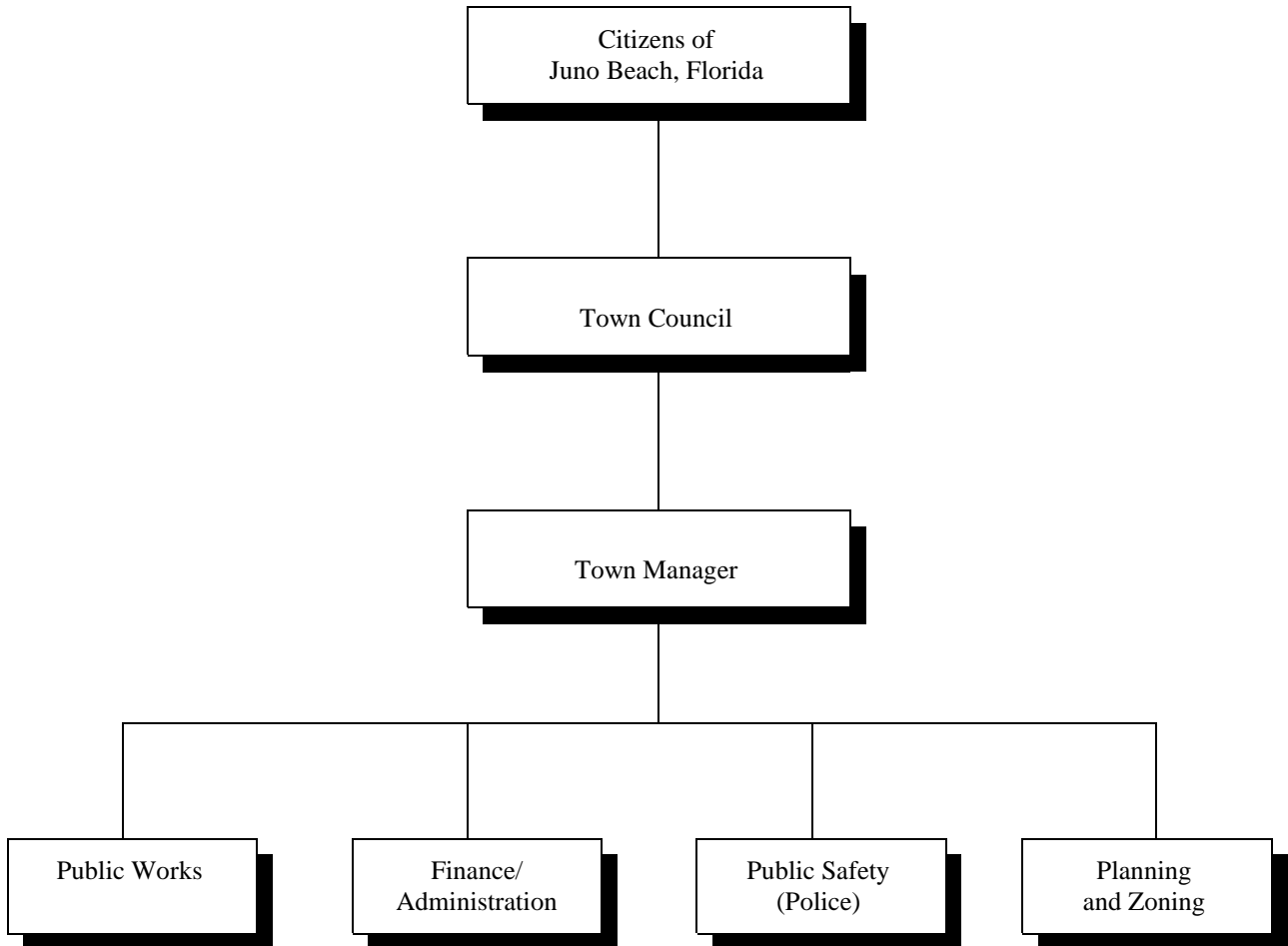
September 30, 2021

Christopher P. Morill

Executive Director/CEO

TOWN OF JUNO BEACH, FLORIDA

ORGANIZATIONAL CHART





LIST OF PRINCIPAL OFFICIALS COUNCIL – MANAGER FORM OF GOVERNMENT

TOWN COUNCIL

DD Halpern Mayor
Elaine K. Cotronakis..... Vice Mayor
Peggy L. Wheeler..... Vice Mayor Pro Tem
Alexander R. Cooke..... Councilmember
Jason S. Haselkorn..... Councilmember

ADMINISTRATIVE STAFF

Joseph F. Lo BelloTown Manager
Brian J. Smith.....Police Chief
Matthew A. Pazanski Finance Director
Steven J. Hallock..... Public Works Director
Caitlin E. CopelandTown 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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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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Town of Juno Beach, Florida, as of and for the year ended September 30, 2022, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Town of Juno Beach, Florida, as of September 30, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Juno Beach, Florida and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, the budgetary comparison information on pages 48 through 50, the pension information on pages 51 through 54, and the other postemployment benefit information on page 55 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2023, 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 the effectiveness of the Town of Juno Beach, Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Juno Beach, Florida's internal control over financial reporting and compliance.

Nowlen, Holt & Mimes, P.A.

West Palm Beach, Florida
March 29, 2023

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, 2022. 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, 2022, by \$11,403,045. Of this amount, unrestricted net position of \$4,731,306 may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net position increased by \$1,931,395 (page 12). 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 \$10,511,993, an increase of \$1,914,912. Of this amount, \$7,172,860 is unassigned and available for spending and \$825,000 has been assigned for the subsequent year's budget, \$178,752 is assigned for special projects, and \$178,488 is assigned for ARPA (American Rescue Plan Act). The remainder is either non-spendable or restricted.
- At the end of the current fiscal year, the unassigned and assigned fund balance (page 13) for the general fund represented 132% of total general fund expenditures (page 15) or 481 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 11) 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 12) 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. The Town of Juno Beach has one fund category: governmental 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 13 through 16.

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 48 through 50) to demonstrate compliance with the fiscal year 2022 budget.

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

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain other required supplementary information. This includes the budgetary comparison for the general fund referred to earlier in connection with governmental funds and various schedules of pension and other postemployment benefits information which is presented immediately after the basic financial statements on pages 48 through 55.

Government-Wide Financial Analysis

Net position: The table below is a summary of the Statement of Net Position at September 30, 2022 and 2021.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At September 30, 2022, the Town's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$11,403,045. The largest portion of the Town's net position (40 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, \$2,060,196 or 18 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$4,731,306 or 41 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, 2022 and 2021**

	2022	2021
ASSETS		
Current and other assets	\$ 11,024,287	\$ 9,765,510
Capital assets, net	4,611,543	4,603,707
Total assets	15,635,830	14,369,217
 DEFERRED OUTFLOWS OF RESOURCES		
	1,068,975	924,612
 LIABILITIES		
Long-term liabilities outstanding	4,230,494	1,675,349
Other liabilities	467,632	1,116,437
Total liabilities	4,698,126	2,791,786
 DEFERRED INFLOWS OF RESOURCES		
	603,634	3,030,393
 NET POSITION		
Investment in capital assets	4,611,543	4,603,707
Restricted	2,060,196	1,540,006
Unrestricted	4,731,306	3,327,937
Total net position	\$ 11,403,045	\$ 9,471,650

Change in Net Position: The table below is a comparative summary of the changes in net position for the fiscal years ended September 30, 2022 and 2021:

**Town of Juno Beach
Statement of Activities – Governmental Activities
For the Fiscal Years Ended September 30, 2022 and 2021**

	2022	2021
REVENUES		
Program revenues:		
Charges for services	\$ 1,285,471	\$ 1,841,664
Operating grants and contributions	1,303,375	81,087
Capital grants and contributions	445,515	242,725
General revenues		
Property taxes	3,223,817	3,216,449
Other taxes	1,083,333	1,031,224
Local one-cent sales tax	338,627	278,462
State shared revenue	553,114	467,385
Investment earnings	1,759	34,202
Gain on disposal of capital assets	38,814	163,670
Total revenues	8,273,825	7,356,868
EXPENSES		
Administrative	1,340,939	1,272,614
Planning and zoning	1,064,866	1,176,619
Public safety	2,680,997	2,249,222
Public works	1,255,628	1,139,786
Total expenses	6,342,430	5,838,241
Change in net position	1,931,395	1,518,627
Net position, beginning of year	9,471,650	7,953,023
Net position, end of year	\$ 11,403,045	\$ 9,471,650

The Town's net position increased by \$1,931,395 for 2022. Total revenues increased approximately \$917,000 or 12.5% from the prior year which is mainly attributed to the following:

- a \$556,000 decrease in charges for services that is mainly attributable to a decrease in building related activities;
- a \$1,222,000 increase in operating grants and contributions is mainly related to ARPA;
- a \$203,000 increase in capital grants and contributions is mainly related to ARPA;
- a \$7,000 increase in property taxes associated with new construction;
- a \$52,000 increase in other taxes mainly attributed to utility taxes on electric and water;
- a \$60,000 increase in the local government discretionary infrastructure surtax from strong sales tax;
- a \$86,000 increase in state shared revenue mainly attributed to half-cent sales tax and state revenue sharing from strong sales tax revenues; and,
- a \$32,000 decrease in investment earnings related to the declining interest rate environment.

Expenses increased approximately \$504,000 or 8.6%. The increase in expenses is primarily due to the following:

- Increase in the Town's proportionate share of 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, 2022, the Town's General Fund reported ending fund balance of \$10,511,993, which was an increase of \$1,914,912 in comparison to the prior year. Of this amount, \$7,172,860 (68%) is unassigned fund balance, which is available for spending at the government's discretion. In addition, the Town Council has assigned \$825,000 to be used for subsequent year's expenditures, \$178,752 to be used for special projects, and \$178,488 to be used for ARPA (American Rescue Plan Act). The remainder of fund balance is non-spendable (\$96,697) or restricted for specific purposes (\$2,060,196). 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 113 percent of total general fund expenditures, while total fund balance represents 166 percent of that same amount.

The fund balance of the Town's general fund increased by \$1,914,912 during the current fiscal year. The key factors in this increase were a combination of higher than expected revenues from Operating and Capital grants and contributions \$1,200,000, revenues of \$339,000 from Local one-cent sales tax (of which no funds were expended during the year), and \$195,000 for Charges for services (Building permit fees carried forward), in addition to the deferral of purchases and 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 2022. 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 48 and 49, the following variances are considered noteworthy:

- The Town's actual revenues of \$8,260,650 were \$779,245 under budgeted revenue. Licenses, permits and fees were over budget \$278,752, mainly related to building related activity; Investment earnings were under budget \$70,741, the decrease was related to the declining interest rate environment; Grant revenues were under budget by \$791,487, primarily due to the delay in awarding of funds; Miscellaneous revenues were under budget by \$390,979, primarily due to delay contributions for a capital project.

- Administrative expenditures were \$466,683 under budget which was mainly attributed to contingency excess.
- Planning and zoning expenditures were \$72,731 under budget which was mainly due to unspent building service fees.
- Public safety expenditures were \$243,668 under budget which was mainly due to unexpended personnel and benefit costs.
- Public works expenditures were \$2,634,784 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, 2022, amounts to \$4,611,543 (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 \$487,240 and included the following:

- Buildings and Improvements - The dune walkover at Mercury Road was completely renovated including composite lumber decking. The Town Center property added improvements to the 9/11 site including a fountain, lighting and landscape. Various other improvements 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 Police department replaced all of their ruggedized laptops for officers in the field. The Police department purchased one patrol vehicle and equipment. The Public Works department purchased a new Caterpillar backhoe. The Town was also the recipient of donated exercise equipment from two local citizens.
- Streets and Lighting -The Universe Boulevard stormwater infrastructure improvements continue as engineering plans and permitting are ready, some grant funding has been secured and more is being applied for to complete these much-needed improvements. Engineering work has begun for stormwater improvements to Celestial Way and Pelican Lake.

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, 2022.

Economic Factors and Next Year's Budgets and Rates

For fiscal year 2023, the Town Council adopted a General Fund budget of \$11,078,035 representing an 11.32% increase from the 2022 fiscal year budget. The primary increase in the fiscal year 2023 budget is the addition of a \$881,750 from the One-Cent Discretionary Surtax and potential grant funding for various improvement projects.

- The 2023 fiscal year budget improvement items include; stormwater improvements, various computer network hardware and software needs, Kagan Park adult exercise equipment renovation

and improvements, two patrol vehicles and one unmarked vehicle for the police department, generator replacement for the Town Center, and several other smaller projects and improvements.

The Town has a relatively stable property tax base. Property taxes represent approximately 31% of the 2023 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, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 2,653,620
Investments	8,024,564
Accounts receivable	71,670
Accrued interest receivable	29,841
Due from other governments	147,895
Prepaid expenses	96,697
Capital assets	
Capital assets not being depreciated	1,080,260
Capital assets being depreciated, net of accumulated depreciation	<u>3,531,283</u>
Total assets	<u>15,635,830</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	1,054,288
Deferred amounts related to other postemployment benefits	<u>14,687</u>
Total deferred outflows of resources	<u>1,068,975</u>
LIABILITIES	
Accounts payable	140,268
Accrued liabilities	148,876
Unearned revenue	178,488
Noncurrent liabilities	
Due within one year	12,464
Due in more than one year	<u>4,218,030</u>
Total liabilities	<u>4,698,126</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred revenue	44,662
Deferred amounts related to pensions	529,474
Deferred amounts related to other post employment benefits	<u>29,498</u>
Total deferred inflows of resources	<u>603,634</u>
NET POSITION	
Investment in capital assets	4,611,543
Restricted for:	
Capital projects	1,051,000
Law enforcement	125,728
Building code enforcement	883,468
Unrestricted	<u>4,731,306</u>
Total net position	<u>\$ 11,403,045</u>

See notes to the financial statements

TOWN OF JUNO BEACH, FLORIDA

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2022

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
Governmental activities					
Administrative	\$ 1,340,939	\$ 21,848	\$ 36,847	\$ -	\$ (1,282,244)
Planning and zoning	1,064,866	1,128,255	-	-	63,389
Public safety	2,680,997	53,435	1,265,356	117,566	(1,244,640)
Public works	1,255,628	81,933	1,172	327,949	(844,574)
Total governmental activities	<u>\$ 6,342,430</u>	<u>\$ 1,285,471</u>	<u>\$ 1,303,375</u>	<u>\$ 445,515</u>	<u>(3,308,069)</u>
General revenues					
Taxes					
Property taxes					3,223,817
Franchise fees					89,247
Utility service taxes					923,185
Local business taxes					70,901
Local one-cent sales tax					338,627
State shared revenues - unrestricted					553,114
Investment earnings					1,759
Gain on disposal of capital assets					38,814
Total general revenues					<u>5,239,464</u>
Change in net position					1,931,395
Net position, beginning of year					<u>9,471,650</u>
Net position, end of year					<u>\$ 11,403,045</u>

See notes to the financial statements

TOWN OF JUNO BEACH, FLORIDA
BALANCE SHEET - GENERAL FUND

September 30, 2022

ASSETS

Cash and cash equivalents	\$	2,653,620
Investments		8,024,564
Accounts receivable		71,670
Accrued interest receivable		29,841
Due from other governments		147,895
Prepaid items		96,697
		96,697
Total assets	\$	11,024,287

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	140,268
Accrued liabilities		148,876
Unearned revenue		178,488
		178,488
Total liabilities		467,632

DEFERRED INFLOWS OF RESOURCES

Deferred revenue		44,662
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FUND BALANCE

Nonspendable:		
Prepaid items		96,697
Restricted for:		
Capital projects		1,051,000
Law enforcement		125,728
Building code enforcement		883,468
Assigned to:		
Subsequent year's budget		825,000
Specific projects		178,752
ARPA		178,488
Unassigned		7,172,860
		7,172,860
Total fund balance		10,511,993

Total liabilities, deferred Inflows of resources, and fund balance	\$	11,024,287
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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, 2022

Fund balance - General Fund	\$ 10,511,993
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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	12,523,268
Less accumulated depreciation	(7,911,725)

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

Compensated absences	(310,901)
Net pension liability	(3,853,239)
Total other postemployment benefits liability	(66,354)

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	1,054,288
Deferred inflows related to pensions	(529,474)
Deferred outflows related to other postemployment benefits	14,687
Deferred inflows related to other postemployment benefits	(29,498)

Net position of governmental activities	<u>\$ 11,403,045</u>
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TOWN OF JUNO BEACH, FLORIDA
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GENERAL FUND

For the Fiscal Year Ended September 30, 2022

REVENUE

Ad valorem taxes	\$ 3,223,817
Local business taxes	70,901
Licenses, permits and fees	1,080,702
Intergovernmental	891,741
Franchise fees and utility taxes	1,012,432
Fines	34,162
Investment earnings	1,759
Impact fees	1,384
Grants	1,660,563
Water and sewer improvement fees	4,668
Miscellaneous	212,922
Total revenues	8,195,051

EXPENDITURES

Current	
Administrative	1,274,888
Planning and zoning	1,057,918
Public safety	2,565,488
Public works	998,716
Capital outlay	448,728
Total expenditures	6,345,738
 Excess (deficiency) of revenues over expenditures	 1,849,313

OTHER FINANCING SOURCES (USES)

Insurance proceeds	1,447
Proceeds from sale of capital assets	64,152
Total other financing sources (uses)	65,599
 Net change in fund balance	 1,914,912
 Fund balances, beginning of year	 8,597,081
Fund balances, end of year	\$ 10,511,993

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, 2022

Net change in fund balance - General Fund \$ 1,914,912

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	448,727
Less: current year depreciation	(454,066)

Capital assets donated to the Town	38,513
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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	(25,338)
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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	(15,287)
Change in net pension liability and related deferred amounts	9,791
Change in total other postemployment benefits liability and related deferred amounts	14,143

Change in net position of governmental activities	\$ 1,931,395
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See notes to the financial statements

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

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, 2022

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 fund used by the Town is classified into one category: **governmental**.

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.

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

Property Tax Reform: During 2007, the Florida Legislature passed property tax reform legislation limiting the property tax levies of local governments in the State of Florida and increasing the homestead exemption. Local governments that adopt a property tax levy in excess of the limit under State law will lose their Half-Cent Sales Tax distribution from the State for the succeeding twelve months. For the fiscal year ending September 30, 2022, 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 (2020/2021) 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, 2022, the Town adopted a 1.9236

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

millage rate (\$1.9236 per \$1,000 of assessed value). This millage rate resulted in a tax levy of \$3,349,470 for 2022, representing an increase of 0.3% from the property tax levy of \$3,339,260 in 2021. 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 2021/2022 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**. 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. Deferred 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.

Investments: Investments consist of participation in money market funds, external investment pools, and certificates of deposit. The fair value of the Town's investment in money market funds is based on the net asset value (NAV). Certificates of deposit are stated at cost plus accrued interest, 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, the Florida Public Assets for Liquidity Management (the "FL PALM") Portfolio, and the FL PALM Term Series. Under Governmental Accounting Standards Board (GASB) Statement No. 79, the Florida Prime fund and the FL PALM Portfolio use 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. The fair value of the Town's investment in the FL PALM Term Series is based on the net asset value (NAV).

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable: Accounts receivable represent amounts due from 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 \$5,000 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, 2022. This accrual also includes salary related payments such as the Town's share of social security taxes and Medicare taxes, as well as the Town's pension plan contributions. A liability for these amounts is reported in governmental funds only if they have matured. The remainder of the liability is reported in the government-wide statement of net position.

Deferred Outflows/Inflows of Resources: In addition to assets and liabilities, the government-wide Statement of Net Position and the 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 assets 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 assets 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, deferred 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

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

deferred 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, 2022, 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, \$2,060,196 is restricted by laws and regulations.

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

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

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, \$2,060,196 is restricted by laws and regulations.

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2022:

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. Implementation of this Statement did not impact the Town's financial statements.

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. Implementation of this Statement did not impact the Town's financial statements.

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. Implementation of this Statement did not impact the Town's financial statements.

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. The Town implemented the provisions of this statement related to GASB Statements No. 14 and No. 84 in the current fiscal year. The Town implemented the provisions of this statement related to Section 457 Deferred Compensation Plans in the current fiscal year and the implementation of this Statement did not impact the Town's financial statements.

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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. 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.

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. 99, **Omnibus 2022**. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements. The requirements related to leases, public-private and public-public partnerships, and subscription-based information technology arrangements are effective for the fiscal year ending September 30, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the fiscal year ending September 30, 2024.

GASB Statement No. 100, **Accounting Changes and Error Corrections**. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. This Statement is effective for the fiscal year ending September 30, 2024.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 101, **Compensated Absences**. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. This Statement is effective for the fiscal year ending September 30, 2025.

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, 2022, deposits with financial institutions had a bank balance of \$4,190,369 and a carrying amount of \$4,154,028. The Town also had \$850 in petty cash for a total carrying amount of \$4,154,878.

Investments: Florida Statutes authorize the Town to invest in the Local Government Surplus Funds Trust Fund (also known as Florida Prime fund) or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. 163.01; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; 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.

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

The investments held by the Town at September 30, 2022, consist of the following:

<u>General Fund</u>	
Certificates of deposit	\$ 1,501,258
Money market fund	1,270,011
Florida Prime fund	1,084,858
FL PALM Portfolio	33
FL PALM Term Series	3,005,359
Investments in Florida Municipal Investment Trust	
0-2 Year High Quality Bond Fund	221,653
1-3 Year High Quality Bond Fund	423,550
Intermediate High Quality Bond Fund	517,842
	<u>\$ 8,024,564</u>

The money market fund is a sweep account that automatically transfers uninvested cash balances into a money market fund. The money market fund invests in high-quality, short-term money market instruments that consist of U.S. Government obligations and repurchase agreements collateralized by U.S. Government obligations and seeks current income, while preserving capital and liquidity. The money market fund is reported at net asset value and \$1 per share.

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, 2022, 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 FL PALM Portfolio provides daily liquidity and allows unlimited investments and redemptions. The minimum investment is \$10,000. The FL PALM Portfolio is an external investment pool and is not registered with the Securities and Exchange Commission (SEC). The investment in the FL PALM Portfolio is reported at amortized cost in accordance with GASB Statement No. 79, ***Accounting and Financial Reporting for Certain Investments and for External Investment Pools*** (GASB 79). As of September 30, 2022, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value. However, the Trustee of the FL PALM Portfolio can suspend the right of withdrawal or postpone the date of payment if the Trustee determines that there is an emergency.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

The FL PALM Term Series invests in highly rated securities including U.S. Treasury securities, U.S. government agency securities, deposits including certificates of deposit and commercial paper Securities are rated at least 'A/F1' by Fitch Ratings or equivalent. The term portfolio is a fixed-rate, fixed-term portfolio with a maximum term of one year. The maturity profile of the term portfolio is managed to meet preset redemptions of the portfolio's participants. Upon investing in the program, a participant selects a planned maturity date on which the portfolio seeks to produce a share price of at least \$1.00 for the participant that redeems on said date. Participants may request premature redemption, but the portfolio may charge significant penalties for any redemption prior to the agreed-upon redemption date and net asset value may be more or less than \$1.00 per share. Redemptions will be made seven days after the request is received.

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.

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.

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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.

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

Money Market Funds: Valued at net asset value and exempt from reporting under the fair value hierarchy.

Florida Prime fund: Valued at amortized cost 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.

FL PALM Portfolio: Valued at amortized cost and exempt from reporting under the fair value hierarchy.

FL PALM Term Series: Valued at net asset value 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, 2022.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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, 2022. The fair value of the Town’s investments at September 30, 2022 is summarized as follows:

	Level 1	Level 2	Level 3	Fair Value
General Fund				
Investments by Level:				
Florida Municipal Investment Trust				
0-2 Year High Quality Bond Fund	\$ -	\$ 221,653	\$ -	\$ 221,653
1-3 Year High Quality Bond Fund	-	423,550	-	423,550
Intermediate High Quality Bond Fund	-	517,842	-	517,842
	-	1,163,045	-	1,163,045
Investments Reported at Cost				
Certificates of deposit				1,501,258
Investments Reported at Amortized Cost				
Florida Prime fund				1,084,858
FL PALM Portfolio				33
Investments Reported at NAV				
Money market fund				1,270,011
FL PALM Term Series				3,005,359
Total investments	\$ -	\$ 1,163,045	\$ -	\$ 8,024,564

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. The table below summarizes the weighted average maturity of the Town’s fixed income investments at September 30, 2022.

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

	Weighted Average Maturity	Fair Value
<u>General Fund</u>		
Certificates of deposit	0.50 years	\$ 1,501,258
Money market fund	9 days	1,270,011
Florida Prime fund	21 days	1,084,858
FL PALM Portfolio	24 days	33
FL PALM Term Series	194 days	3,005,359
0-2 Year High Quality Bond Fund	0.70 years	221,653
1-3 Year High Quality Bond Fund	1.39 years	423,550
Intermediate High Quality Bond Fund	4.70 years	517,842
		\$ 8,024,564

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 NRSRO ratings for the general fund investments at September 30, 2022, are listed below.

	NRSRO Rating	Fair Value
<u>General Fund</u>		
Certificates of deposit	Not rated	\$ 1,501,258
Money market fund	AAAm S&P	1,270,011
Florida Prime fund	AAAm S&P	1,084,858
FL PALM Portfolio	AAAm S&P	33
FL PALM Term Series	AAAf Fitch	3,005,359
0-2 Year High Quality Bond Fund	AAAf/S1 Fitch	221,653
1-3 Year High Quality Bond Fund	AAAf/S2 Fitch	423,550
Intermediate High Quality Bond Fund	AAAf/S3 Fitch	517,842
		\$ 8,024,564

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 the Florida Prime fund, FL Palm Portfolio, FL Palm Term Series, 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.

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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 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, 2022.

NOTE C - CAPITAL ASSETS

The Town's capital asset activity for the year ended September 30, 2022, was as follows:

<u>Governmental Activities</u>	Balance at Beginning of Year	Increases	Decreases	Balance at End of Year
Capital assets not being depreciated				
Land	\$ 1,080,260	\$ -	\$ -	\$ 1,080,260
Capital assets being depreciated				
Building and improvements	5,608,097	208,704	(208,022)	5,608,779
Equipment and vehicles	2,180,122	242,649	(198,764)	2,224,007
Streets and lighting	3,598,841	35,887	(24,506)	3,610,222
Total capital assets being depreciated	<u>11,387,060</u>	<u>487,240</u>	<u>(431,292)</u>	<u>11,443,008</u>
Less accumulated depreciation for				
Building and improvements	(3,923,729)	(174,120)	189,330	(3,908,519)
Equipment and vehicles	(1,423,244)	(160,087)	192,118	(1,391,213)
Streets and lighting	(2,516,640)	(119,859)	24,506	(2,611,993)
Total accumulated depreciation	<u>(7,863,613)</u>	<u>(454,066)</u>	<u>405,954</u>	<u>(7,911,725)</u>
Total capital assets being depreciated, net	<u>3,523,447</u>	<u>33,174</u>	<u>(25,338)</u>	<u>3,531,283</u>
Governmental activities capital assets, net	<u>\$ 4,603,707</u>	<u>\$ 33,174</u>	<u>\$ (25,338)</u>	<u>\$ 4,611,543</u>

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE C - CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental Activities

Administrative	\$	64,973
Planning and zoning		3,844
Public safety		128,196
Public works		<u>257,053</u>
 Total depreciaton expense - governmental activities	 \$	 <u>454,066</u>

NOTE D - NONCURRENT LIABILITIES

The following is a summary of changes in the Town's noncurrent liabilities for the year ended September 30, 2022:

<u>Governmental Activities</u>	<u>Balance at Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at End of Year</u>	<u>Amounts Due Within One Year</u>
Compensated absences	\$ 295,614	\$ 395,770	\$ (380,483)	\$ 310,901	\$ 12,464
Net pension liability	1,321,801	2,531,438	-	3,853,239	-
Other postemployment benefits liability	<u>57,934</u>	<u>18,992</u>	<u>(10,572)</u>	<u>66,354</u>	<u>-</u>
	<u>\$ 1,675,349</u>	<u>\$ 2,946,200</u>	<u>\$ (391,055)</u>	<u>\$ 4,230,494</u>	<u>\$ 12,464</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.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE E - FLORIDA RETIREMENT SYSTEM (Continued)

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.

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.

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.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE E - FLORIDA RETIREMENT SYSTEM (Continued)

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 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

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE E - FLORIDA RETIREMENT SYSTEM (Continued)

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, 2022 were as follows:

Class	10/01/21 through 06/30/22	07/01/22 through 09/30/22
Regular Class	10.82%	11.91%
Senior Management Service Class	29.01%	31.57%
Special Risk Class	25.89%	27.83%
Drop	18.34%	18.60%

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, 2022, the Town made contributions of \$373,728 to the Pension Plan and the Town's employees made contributions of \$40,121, for total contributions of \$413,849.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2022, the Town reported a liability of \$3,324,265 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Town's proportionate share of the net pension liability was based on the Town's 2021-22 plan year contributions relative to the 2021-22 plan year contributions of all participating members. At June 30, 2022, the Town's proportionate share was 0.008934266 percent, which was a decrease of 0.000255534 percent from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2022, the Town recognized pension expense of \$392,623 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:

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE E - FLORIDA RETIREMENT SYSTEM (Continued)

Descriptions	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 157,883	\$ -
Changes of assumptions	409,397	-
Net difference between projected and actual earnings of pension plan investments	219,501	-
Change in proportion and differences between Town pension plan contributions and proportionate share of contributions	85,112	408,220
Town pension plan contributions subsequent to the measurement date	116,186	-
Total	<u>\$ 988,079</u>	<u>\$ 408,220</u>

The deferred outflows of resources related to the Pension Plan, totaling \$116,186 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, 2023. 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
2023	\$ 103,534
2024	(16,475)
2025	(139,417)
2026	492,509
2027	23,522
Thereafter	-
	<u>\$ 463,673</u>

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE E - FLORIDA RETIREMENT SYSTEM (Continued)

Actuarial Assumptions: The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	July 1, 2022
Measurement date	June 30, 2022
Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.70%, 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, 2022 valuation date, the investment rate of return changed from 6.80% to 6.70%.

The actuarial assumptions that determined the total pension liability as of June 30, 2022, were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real Estate	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	26.3%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
 Total	 100.0%			
 Assumed Inflation - Mean			 2.4%	 1.3%

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

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE E - FLORIDA RETIREMENT SYSTEM (Continued)

Discount Rate: The discount rate used to measure the total pension liability as of June 30, 2022 was 6.70%, which decreased from the discount rate of 6.80% as of June 30, 2021. 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 6.70%, 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 (5.70%) or one percentage point higher (7.70%) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Town’s proportionate share of the net pension liability	\$ 5,749,088	\$ 3,324,265	\$ 1,296,825

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 Annual Comprehensive Financial Report.

Payables to the Pension Plan: At September 30, 2022, the Town reported a \$56,067 payable for outstanding contributions to the Pension Plan for the fiscal year ended September 30, 2022.

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, 2022, 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.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE E - FLORIDA RETIREMENT SYSTEM (Continued)

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, 2022, 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 \$30,665 for the fiscal year ended September 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2022, the Town reported a liability of \$528,974 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Town's proportionate share of the net pension liability was based on the Town's 2021-22 plan year contributions relative to the 2021-22 plan year contributions of all participating members. At June 30, 2022, the Town's proportionate share was 0.004994280 percent, which was a decrease of 0.000122236 percent from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2022, the Town recognized pension expense of \$22,256. In addition, the Town reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Descriptions	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 16,056	\$ 2,328
Changes of assumptions	30,321	81,832
Net difference between projected and actual earnings of pension plan investments	766	-
Change in proportion and differences between Town pension plan contributions and proportionate share of contributions	10,389	37,094
Town pension plan contributions subsequent to the measurement date	8,677	-
Total	<u>\$ 66,209</u>	<u>\$ 121,254</u>

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE E - FLORIDA RETIREMENT SYSTEM (Continued)

The deferred outflows of resources related to the HIS Plan, totaling \$8,677 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, 2023. 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
2023	\$ (16,093)
2024	(9,746)
2025	(8,089)
2026	(9,375)
2027	(14,435)
Thereafter	(5,984)
	<u>\$ (63,722)</u>

Actuarial Assumptions: The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions:

Valuation date	July 1, 2022
Measurement date	June 30, 2022
Inflation	2.40%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.54%
Investment rate of return	N/A
Mortality	Generational PUB-2010 with Projection Scale MP-2018
Actuarial cost method	Individual Entry Age

The actuarial assumptions that determined the total pension liability as of June 30, 2022, 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, 2022 was 3.54%, which increased from the discount rate of 2.16% as of June 30, 2021. 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.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE E - FLORIDA RETIREMENT SYSTEM (Continued)

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 3.54%, 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 (2.54%) or one percentage point higher (4.54%) than the current rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Town's proportionate share of the net pension liability	\$ 605,190	\$ 528,974	\$ 465,907

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 Annual Comprehensive Financial Report.

Payables to the Pension Plan: At September 30, 2022, the Town reported a \$4,081 payable for outstanding contributions to the HIS Plan for the fiscal year ended September 30, 2022.

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, 2022.

Description	Pension Plan	HIS Plan	Total
Proportionate share of total pension liability	\$ 19,426,171	\$ 555,712	\$ 19,981,883
Proportionate share of plan fiduciary net position	16,101,906	26,738	16,128,644
Proportionate share of net pension liability	3,324,265	528,974	3,853,239
Proportionate share of deferred outflows of resources	988,079	66,209	1,054,288
Proportionate share of deferred inflows of resources	408,220	121,254	529,474
Pension expense	392,623	22,256	414,879

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 Annual Comprehensive Financial Report.

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE E - FLORIDA RETIREMENT SYSTEM (Continued)

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, Special Risk Class, 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.

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, 2022, are as follows:

Class	10/01/21 through 06/30/22	07/01/22 through 09/30/22
Regular Class	10.82%	11.91%
Senior Management Service Class	29.01%	31.57%
Special Risk Class	25.89%	27.83%
Drop	18.34%	18.60%

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, 2022, 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

TOWN OF JUNO BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE E - FLORIDA RETIREMENT SYSTEM (Continued)

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 \$40,514 for the fiscal year ended September 30, 2022.

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, 2022, there were 23 plan members, including 15 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 2022 was \$72,241. There was \$7,596 in forfeitures used to reduce the Town's contribution in 2022. 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, 2022 was \$968,578.

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.

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Plan Membership: The following table provides a summary of the participants in the plan as of October 1, 2022, the latest valuation date:

Active employees	24
Retirees and beneficiaries receiving benefits	1
Inactive employees not yet receiving benefits	-
Total	25

Total OPEB Liability

As of September 30, 2022, The Town's Total OPEB Liability of \$66,354 was measured as of September 30, 2022, and was determined by the actuarial valuation as of October 1, 2022.

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, 2022
Measurement Date	September 30, 2022
Demographics	Mortality rates, turnover, disability and retirement rates based on the 2022 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 2021. 6.00% per year initially, decreasing to 3.94% by 2075. The ultimate rate is anticipated to be 3.94%.
Election	60% of employees with medical coverage will elect to retain the coverage at retirement
Amortization	Expected future working lifetime of all participants expected to receive benefits
Remaining amortization period	5 years
Discount rate	4.40%, September 30, 2022 Measurement Date
Mortality rates	Pub-2010 mortality table with generational scale MP-2021

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, 2022, the calculation used a rate of 4.40%.

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

The changes in the Total OPEB Liability were as follows for the year ended September 30, 2022:

Balance as of September 30, 2021	\$	57,934
Changes for the Year:		
Service cost		3,064
Interest		1,184
Experience losses/(gains)		(2,793)
Changes in assumptions		14,744
Benefit payments		<u>(7,779)</u>
Net changes		<u>8,420</u>
 Balance as of September 30, 2022	 \$	 <u>66,354</u>

Changes in Assumptions: All assumptions, methods, and results are based on the fiscal year 2022 GASB 75 actuarial report dated March 10, 2023. Changes were made since the prior valuation dated November 2, 2020 where the discount rate was increased from 2.19% to 4.40%; the healthcare cost trend assumption was updated based on the latest Getzen model released by the Society of Actuaries (SOA) in November 2021; the mortality improvement scale assumption was updated to MP-2021 to reflect more recently published data by the SOA; the disability decrement assumption was updated for Special Risk employees to reflect the assumption change in the FRS Pension Plan Actuarial Valuation as of July 1, 2022; the salary scale assumption was updated to be consistent with that used in the FRS Pension valuation; and the election assumption was updated from 40% to 60% to be consistent with other access only pre-Medicare OPEB plans in the Florida public sector with more credible populations.

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 4.40%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.40%) or one percentage point higher (5.40%) than the current rate:

	1% Decrease (3.40%)	Current Discount Rate (4.40%)	1% Increase (5.40%)
	<u> </u>	<u> </u>	<u> </u>
Total OPEB Liability	\$ 69,195	\$ 66,354	\$ 63,432

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 (6.0% decreasing to 3.94%), as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.0% decreasing to 2.94%) or one percentage point higher (7.0% decreasing to 4.94%) than the assumed healthcare cost trend rates:

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

	1% Decrease (5.0% decreasing to 2.94%)	Healthcare cost Trend Rates (6.0% decreasing to 3.94%)	1% Increase (7.0% decreasing to 4.94%)
Total OPEB Liability	\$ 61,334	\$ 66,354	\$ 72,125

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

For the year ended September 30, 2022, the Town recognized OPEB expense of (\$6,364). At September 30, 2022, 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	\$ -	\$ 23,743
Changes of assumptions	14,687	5,755
Total	\$ 14,687	\$ 29,498

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

Fiscal Year Ending September 30,	Amount
2023	\$ (10,614)
2024	(10,264)
2025	2,080
2026	1,991
2027	1,996
Thereafter	-
	\$ (14,811)

TOWN OF JUNO BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2022

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 \$126,808 for the year ended September 30, 2022.

Encumbrances: At September 30, 2022, the Town had an encumbrances in the amount of \$357,240.

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, 2022, there was \$877,494 of the Series 2019A conduit debt outstanding.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF JUNO BEACH, FLORIDA

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

For the Fiscal Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenue				
Ad valorem taxes	\$ 3,234,739	\$ 3,234,739	\$ 3,223,817	\$ (10,922)
Local business taxes	65,000	65,000	70,901	5,901
Licenses, permits and fees				
Building permit fees	750,000	750,000	1,017,989	267,989
County occupational licenses	10,500	10,500	11,434	934
Other fees	41,450	41,450	51,279	9,829
	<u>801,950</u>	<u>801,950</u>	<u>1,080,702</u>	<u>278,752</u>
Intergovernmental				
Sales tax	291,632	291,632	355,655	64,023
State revenue sharing	103,008	103,008	125,084	22,076
Local one-cent sales surtax	274,684	274,684	338,627	63,943
Local option gas tax	54,374	54,374	56,127	1,753
Alcoholic beverage license	7,000	7,000	7,114	114
Other	8,500	8,500	9,134	634
	<u>739,198</u>	<u>739,198</u>	<u>891,741</u>	<u>152,543</u>
Franchise fees and utility taxes				
Franchise fees	67,000	67,000	89,247	22,247
Utility taxes	622,500	622,500	683,543	61,043
Communication service taxes	268,458	268,458	239,642	(28,816)
	<u>957,958</u>	<u>957,958</u>	<u>1,012,432</u>	<u>54,474</u>
Fines	25,000	25,000	34,162	9,162
Investment earnings	72,500	72,500	1,759	(70,741)
Impact fees	-	-	1,384	1,384
Grants	2,452,050	2,452,050	1,660,563	(791,487)
Water and sewer improvement fees	22,000	22,000	4,668	(17,332)
Miscellaneous	669,500	669,500	278,521	(390,979)
Total revenue	<u>\$ 9,039,895</u>	<u>\$ 9,039,895</u>	<u>\$ 8,260,650</u>	<u>\$ (779,245)</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, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures				
Administrative				
Salaries	\$ 657,025	\$ 657,025	\$ 648,218	\$ 8,807
Employee benefits	202,846	202,846	189,750	13,096
Professional fees	67,700	67,700	72,306	(4,606)
Insurance	232,000	232,000	245,159	(13,159)
Operating	140,900	140,900	119,455	21,445
Contingency	649,100	433,600	-	433,600
Capital outlay	7,500	7,500	-	7,500
	<u>1,957,071</u>	<u>1,741,571</u>	<u>1,274,888</u>	<u>466,683</u>
Planning and zoning				
Salaries	396,026	396,026	385,009	11,017
Employee benefits	129,982	129,982	113,957	16,025
Professional fees	71,780	96,780	89,363	7,417
Operating	347,500	511,000	469,589	41,411
Capital outlay	7,500	7,500	10,639	(3,139)
	<u>952,788</u>	<u>1,141,288</u>	<u>1,068,557</u>	<u>72,731</u>
Public safety				
Police				
Salaries	1,731,866	1,731,866	1,526,068	205,798
Employee benefits	769,213	769,213	663,104	106,109
Professional fees	53,700	53,700	31,411	22,289
Operating	346,306	346,306	344,905	1,401
Capital outlay	140,000	140,000	231,929	(91,929)
	<u>3,041,085</u>	<u>3,041,085</u>	<u>2,797,417</u>	<u>243,668</u>
Public works				
Salaries	386,703	411,703	414,416	(2,713)
Employee benefits	122,853	124,853	119,509	5,344
Operating	438,895	438,895	464,791	(25,896)
Capital outlay	3,051,700	3,051,700	393,651	2,658,049
	<u>4,000,151</u>	<u>4,027,151</u>	<u>1,392,367</u>	<u>2,634,784</u>
Total expenditures	<u>\$ 9,951,095</u>	<u>\$ 9,951,095</u>	<u>\$ 6,533,229</u>	<u>\$ 3,417,866</u>

See notes to budgetary comparison schedule

TOWN OF JUNO BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION (RSI)
 NOTES TO BUDGETARY COMPARISON SCHEDULE

September 30, 2022

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	\$ 8,195,051	\$ 6,345,738
Prior year encumbrances	-	(91,880)
Current year encumbrances	-	279,371
Insurance proceeds	1,447	-
Proceeds from sale of capital assets	64,152	-
	<u>\$ 8,260,650</u>	<u>\$ 6,533,229</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>	<u>2018</u>
Contractually required FRS contribution	\$ 227,758	\$ 255,181	\$ 280,759	\$ 314,674	\$ 333,619
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>	<u>333,619</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 1,540,107	\$ 1,658,127	\$ 1,597,630	\$ 1,704,948	\$ 1,717,818
FRS contributions as a percentage of covered payroll	14.79%	15.39%	17.57%	18.46%	19.42%
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	
Contractually required FRS contribution	\$ 338,949	\$ 400,828	\$ 372,221	\$ 414,242	
FRS contributions in relation to the contractually required contribution	<u>338,949</u>	<u>400,828</u>	<u>372,221</u>	<u>414,242</u>	
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Town's covered payroll	\$ 1,755,625	\$ 1,970,904	\$ 1,786,300	\$ 1,847,281	
FRS contributions as a percentage of covered payroll	19.31%	20.34%	20.84%	22.42%	

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	2018
Proportion of the FRS net pension liability	0.008812053%	0.009367271%	0.010697672%	0.010755062%	0.010813716%
Proportionate share of the FRS net pension liability	\$ 537,665	\$ 1,209,909	\$ 2,701,171	\$ 3,181,275	\$ 3,257,147
Town's covered payroll	\$ 1,519,791	\$ 1,611,892	\$ 1,691,469	\$ 1,665,382	\$ 1,759,923
Town's proportionate share of the FRS net pension liability as a percentage of covered payroll	35.38%	75.06%	159.69%	191.02%	185.07%
FRS Plan fiduciary net position as a percentage of the total pension liability	96.10%	92.00%	84.90%	83.90%	84.30%
	2019	2020	2021	2022	
Proportion of the FRS net pension liability	0.009934759%	0.010591734%	0.009189800%	0.008934266%	
Proportionate share of the FRS net pension liability	\$ 3,421,393	\$ 4,590,614	\$ 694,183	\$ 3,324,265	
Town's covered payroll	\$ 1,743,939	\$ 1,841,110	\$ 1,811,356	\$ 1,820,066	
Town's proportionate share of the FRS net pension liability as a percentage of covered payroll	196.19%	249.34%	38.32%	182.65%	
FRS Plan fiduciary net position as a percentage of the total pension liability	82.61%	78.85%	96.40%	82.89%	

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%
2021	6.80%
2022	6.70%

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 Annual Comprehensive 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>	<u>2018</u>
Contractually required HIS contribution	\$ 35,729	\$ 40,031	\$ 29,153	\$ 28,302	\$ 28,516
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>	<u>28,516</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 1,540,107	\$ 1,658,127	\$ 1,597,630	\$ 1,704,948	\$ 1,717,818
HIS contributions as a percentage of covered payroll	2.32%	2.41%	1.82%	1.66%	1.66%
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	
Contractually required HIS contribution	\$ 29,143	\$ 32,717	\$ 29,653	\$ 30,665	
HIS contributions in relation to the contractually required contribution	<u>29,143</u>	<u>32,717</u>	<u>29,653</u>	<u>30,665</u>	
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Town's covered payroll	\$ 1,755,625	\$ 1,970,904	\$ 1,786,300	\$ 1,847,281	
HIS contributions as a percentage of covered payroll	1.66%	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	2018
Proportion of the HIS net pension liability	0.005115156%	0.005313036%	0.005468672%	0.005224773%	0.005365704%
Proportionate share of the HIS net pension liability	\$ 478,280	\$ 541,846	\$ 637,351	\$ 558,657	\$ 567,912
Town's covered payroll	\$ 1,519,791	\$ 1,611,892	\$ 1,691,469	\$ 1,665,382	\$ 1,759,923
Town's proportionate share of the HIS net pension liability as a percentage of covered payroll	31.47%	33.62%	37.68%	33.55%	32.27%
HIS Plan fiduciary net position as a percentage of the total pension liability	1.00%	50.00%	1.00%	1.60%	2.20%
	2019	2020	2021	2022	
Proportion of the HIS net pension liability	0.005214461%	0.005304694%	0.005116516%	0.004994280%	
Proportionate share of the HIS net pension liability	\$ 583,446	\$ 647,694	\$ 627,618	\$ 528,974	
Town's covered payroll	\$ 1,743,939	\$ 1,841,110	\$ 1,811,356	\$ 1,820,066	
Town's proportionate share of the HIS net pension liability as a percentage of covered payroll	33.46%	35.18%	34.65%	29.06%	
HIS Plan fiduciary net position as a percentage of the total pension liability	2.63%	3.00%	3.56%	4.81%	

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%
2021	2.16%
2022	3.54%

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 Annual Comprehensive 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	2021	2022
Total OPEB Liability					
Service cost	\$ 4,385	\$ 4,344	\$ 5,248	\$ 2,863	\$ 3,064
Interest	4,061	4,413	3,382	1,373	1,184
Experience losses/(gains)	-	-	(53,543)	-	(2,793)
Changes in assumptions	(2,060)	6,403	(13,528)	441	14,744
Benefit payments	(7,200)	(7,154)	(7,647)	(7,467)	(7,779)
Net change in total OPEB liability	(814)	8,006	(66,088)	(2,790)	8,420
Total OPEB liability, beginning of year	119,620	118,806	126,812	60,724	57,934
Total OPEB liability, end of year	<u>\$ 118,806</u>	<u>\$ 126,812</u>	<u>\$ 60,724</u>	<u>\$ 57,934</u>	<u>\$ 66,354</u>
Covered-employee payroll	\$ 1,717,818	\$ 1,755,625	\$ 1,970,904	\$ 1,786,300	\$ 1,847,281
Total OPEB liability as a percentage of covered-employee payroll	6.92%	7.22%	3.08%	3.24%	3.59%

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%
September 30, 2021 measurement date	2.19%
September 30, 2022 measurement date	4.40%

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

For 2020, changes were made since the prior valuation dated December 12, 2018 to the 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. For 2022, changes were made since the prior valuation dated November 2, 2020 where the healthcare cost trend assumption was updated based on the latest Getzen model released by the Society of Actuaries (SOA) in November 2021; the mortality improvement scale assumption was updated to MP-2021 to reflect more recently published data by the SOA; the disability decrement assumption was updated for Special Risk employees to reflect the assumption change in the FRS Pension Plan Actuarial Valuation as of July 1, 2022; the salary scale assumption was updated to be consistent with that used in the FRS Pension valuation; and the election assumption was updated from 40% to 60% to be consistent with other access only pre-Medicare OPEB plans in the Florida public sector with more credible populations.

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.

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Town of Juno Beach’s annual comprehensive 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.

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

Revenue Capacity63

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

Debt Capacity68

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 Information70

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 Information72

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 annual comprehensive financial reports for the relevant year.

Town of Juno Beach, Florida
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 5,655,467	\$ 5,471,388	\$ 5,262,065	\$ 5,041,308	\$ 4,812,522	\$ 4,720,997	\$ 4,731,528	\$ 4,432,764	\$ 4,603,707	\$ 4,611,543
Restricted	180,193	264,531	286,175	259,835	414,336	672,972	734,678	807,125	1,540,006	2,060,196
Unrestricted	3,837,766	4,288,384	3,027,994	3,131,465	3,174,539	3,027,601	3,078,838	2,713,134	3,327,937	4,731,306
Total governmental activities net position	\$ 9,673,426	\$ 10,004,303	\$ 8,576,234	\$ 8,432,608	\$ 8,401,397	\$ 8,421,570	\$ 8,545,044	\$ 7,953,023	\$ 9,471,650	\$ 11,403,045

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
Administrative	\$ 1,142,579	\$ 1,286,067	\$ 1,117,904	\$ 1,150,037	\$ 1,215,956	\$ 1,254,622	\$ 1,309,343	\$ 1,356,190	\$ 1,272,614	\$ 1,340,939
Planning and zoning	793,315	975,094	1,048,073	689,144	854,999	747,004	807,333	771,466	1,176,619	1,064,866
Public safety	2,493,518	2,386,448	2,207,642	2,312,737	2,553,105	2,611,871	2,971,718	3,457,854	2,249,222	2,680,997
Public works	958,797	964,393	981,429	1,016,989	1,072,383	997,871	1,051,419	1,088,524	1,139,786	1,255,628
Interest on long-term debt	1,654	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	<u>\$ 5,389,863</u>	<u>\$ 5,612,002</u>	<u>\$ 5,335,048</u>	<u>\$ 5,168,907</u>	<u>\$ 5,696,443</u>	<u>\$ 5,611,368</u>	<u>\$ 6,139,813</u>	<u>\$ 6,674,034</u>	<u>\$ 5,838,241</u>	<u>\$ 6,342,430</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Administrative	\$ 41,801	\$ 62,221	\$ 32,512	\$ 30,592	\$ 25,928	\$ 79,750	\$ 53,695	\$ 22,437	\$ 29,929	\$ 21,848
Planning and zoning	798,146	1,123,510	1,329,507	582,454	967,769	570,812	826,291	637,766	1,668,077	1,128,255
Public safety	483,059	290,519	77,907	44,004	37,307	46,865	143,483	174,919	36,305	53,435
Public works	66,276	65,382	63,089	63,998	64,702	67,976	113,320	76,841	107,353	81,933
Operating grants and contributions:										
Administrative	40,055	8,130	20,845	19,069	18,685	12,709	45,570	57,365	34,481	36,847
Public safety	1,702	12,993	18,042	29,258	16,370	126,107	15,708	43,864	46,606	27,243
Public works	4,218	45,652	18,499	12,182	13,792	44,333	97,818	14,156	-	1,172
Capital grants and contributions:										
Administrative	24,933	33,512	38,457	5,961	8,873	1,736	6,000	-	-	-
Public safety	55,657	158,752	71,270	24,508	15,961	10,833	664	7,071	605	1,355,679
Public works	61,425	128,886	37,901	82,048	65,342	139,800	50,360	55,994	242,120	327,949
Total governmental activities program revenues	<u>\$ 1,577,272</u>	<u>\$ 1,929,557</u>	<u>\$ 1,708,029</u>	<u>\$ 894,074</u>	<u>\$ 1,234,729</u>	<u>\$ 1,100,921</u>	<u>\$ 1,352,909</u>	<u>\$ 1,090,413</u>	<u>\$ 2,165,476</u>	<u>\$ 3,034,361</u>
Net (expense)/revenue	<u>\$ (3,812,591)</u>	<u>\$ (3,682,445)</u>	<u>\$ (3,647,019)</u>	<u>\$ (4,274,833)</u>	<u>\$ (4,461,714)</u>	<u>\$ (4,510,447)</u>	<u>\$ (4,786,904)</u>	<u>\$ (5,583,621)</u>	<u>\$ (3,672,765)</u>	<u>\$ (3,308,069)</u>
Governmental activities										

(Continued)

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 2,613,164	\$ 2,579,423	\$ 2,582,353	\$ 2,671,501	\$ 2,779,013	\$ 2,810,876	\$ 2,905,591	\$ 3,098,555	\$ 3,216,449	\$ 3,223,817
Franchise fees	53,049	61,911	70,185	65,460	64,644	65,601	69,149	71,748	79,434	89,247
Utility service taxes	858,189	891,862	880,206	878,524	896,229	962,455	985,421	953,374	882,130	923,185
Local business taxes	57,010	59,807	57,413	60,050	62,379	64,346	60,513	65,414	69,660	70,901
Local one-cent sales tax	-	-	-	-	162,756	242,024	250,248	237,115	278,462	338,627
State shared revenue, unrestricted	357,937	378,825	394,844	403,056	416,487	430,270	441,176	408,316	467,385	553,114
Investment earnings	21,097	41,494	56,422	52,616	48,995	85,018	198,280	152,170	34,202	1,759
Gain on disposal of capital assets	-	-	-	-	-	5,893	-	4,908	163,670	38,814
Total governmental activities	<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>	<u>\$ 5,191,392</u>	<u>\$ 5,239,464</u>
Changes in Net Position										
Governmental activities:										
	\$ 147,855	\$ 330,877	\$ 394,404	\$ (143,626)	\$ (31,211)	\$ 156,036	\$ 123,474	\$ (592,021)	\$ 1,518,627	\$ 1,931,395

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

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Non Spendable:				
Prepaid items	\$ 48,493	\$ 46,141	\$ 47,819	\$ 48,405
Restricted for:				
Capital projects	150,338	218,848	218,234	185,948
Law enforcement	29,855	45,683	67,941	73,887
Building code enforcement	-	-	-	-
Assigned to:				
Subsequent year's budget	954,000	575,000	675,000	740,000
ARPA	-	-	-	-
Specific projects	54,410	-	-	-
Unassigned	3,034,008	3,908,670	4,260,439	4,501,399
Total General Fund	<u>\$ 4,271,104</u>	<u>\$ 4,794,342</u>	<u>\$ 5,269,433</u>	<u>\$ 5,549,639</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 52,899	\$ 69,983	\$ 93,176	\$ 90,239	\$ 79,653	\$ 96,697
342,353	494,104	525,154	620,013	710,988	1,051,000
71,983	178,868	140,256	140,256	140,256	125,728
-	-	69,268	46,856	688,762	883,468
740,000	750,000	750,000	750,000	825,000	825,000
-	-	-	-	169,749	178,488
-	49,700	-	30,382	-	178,752
4,830,469	5,024,907	5,647,118	5,982,764	5,982,673	7,172,860
<u>\$ 6,037,704</u>	<u>\$ 6,567,562</u>	<u>\$ 7,224,972</u>	<u>\$ 7,660,510</u>	<u>\$ 8,597,081</u>	<u>\$ 10,511,993</u>

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

	Fiscal Year			
	2013	2014	2015	2016
Revenues				
Ad valorem taxes	\$ 2,613,164	\$ 2,579,423	\$ 2,582,353	\$ 2,671,501
Local business taxes	57,010	59,807	57,413	60,050
Licenses, permits and fees	797,869	1,112,873	1,296,258	584,760
Intergovernmental	357,937	378,825	394,844	403,056
Franchise fees and utility taxes	911,238	953,773	950,391	943,984
Fines	453,648	279,517	64,774	19,338
Investment earnings	21,097	41,494	56,422	52,616
Impact fees	28,379	37,142	42,623	6,607
Grants	64,711	78,306	82,818	10,557
Water and sewer improvement fees	11,625	3,650	11,800	13,250
Miscellaneous	216,822	372,417	191,257	223,739
Total revenues	5,533,500	5,897,227	5,730,953	4,989,458
Expenditures				
Current				
Administrative	982,997	1,157,626	1,028,733	1,010,450
Planning and zoning	782,026	972,721	1,042,961	681,190
Public safety	2,369,968	2,254,110	2,187,648	2,023,690
Public works	715,833	719,247	742,468	761,215
Capital outlay	127,452	320,739	292,171	289,356
Debt service				
Principal	94,759	-	-	-
Interest	1,654	-	-	-
Total expenditures	5,074,689	5,424,443	5,293,981	4,765,901
Revenues over (under) expenditures	458,811	472,784	436,972	223,557
Other financing sources (uses)				
Insurance proceeds	4,218	45,652	18,499	35,823
Proceeds from sale of capital assets	13,446	4,802	19,620	20,826
Total other financing sources (uses)	17,664	50,454	38,119	56,649
Net change in fund balance	\$ 476,475	\$ 523,238	\$ 475,091	\$ 280,206
Debt service as a percentage of non-capital expenditures	<u>1.95%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 2,779,013	\$ 2,810,876	\$ 2,905,591	\$ 3,098,555	\$ 3,216,449	\$ 3,223,817	
62,379	64,346	60,513	65,414	69,660	70,901	
940,930	525,335	750,352	591,351	1,616,110	1,080,702	
579,243	672,294	691,424	645,431	745,847	891,741	
960,873	1,028,056	1,054,570	1,025,122	961,564	1,012,432	
31,607	48,150	79,291	47,922	29,625	34,162	
48,995	85,018	198,280	152,170	34,202	1,759	
9,834	1,924	32,756	668	13,849	1,384	
54,396	89,994	146,482	21,227	194,252	1,660,563	
17,685	5,575	43,920	5,050	35,225	4,668	
170,735	423,325	273,185	369,551	224,888	212,922	
<u>5,655,690</u>	<u>5,754,893</u>	<u>6,236,364</u>	<u>6,022,461</u>	<u>7,141,671</u>	<u>8,195,051</u>	
1,059,711	1,105,663	1,133,465	1,140,245	1,216,064	1,274,888	
848,369	737,962	804,014	757,036	1,174,975	1,057,918	
2,170,720	2,254,390	2,387,312	2,581,586	2,452,922	2,565,488	
819,140	750,245	794,434	835,435	903,579	998,716	
293,732	394,479	491,790	296,314	478,935	448,728	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>5,191,672</u>	<u>5,242,739</u>	<u>5,611,015</u>	<u>5,610,616</u>	<u>6,226,475</u>	<u>6,345,738</u>	
464,018	512,154	625,349	411,845	915,196	1,849,313	
9,542	6,618	26,923	17,794	3,527	1,447	
14,505	11,086	5,138	5,899	17,848	64,152	
<u>24,047</u>	<u>17,704</u>	<u>32,061</u>	<u>23,693</u>	<u>21,375</u>	<u>65,599</u>	
<u>\$ 488,065</u>	<u>\$ 529,858</u>	<u>\$ 657,410</u>	<u>\$ 435,538</u>	<u>\$ 936,571</u>	<u>\$ 1,914,912</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			
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%
2021	1,784,503,095	217,214,855	2,001,717,950	1.9999	2,107,071,526	95.0%
2022	1,898,326,612	216,339,628	2,114,666,240	1.9236	2,225,964,463	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)

Fiscal Year	Total Assessed Value	Exempt Value	Nonexempt Value	Total Millage Rate	Operating Millage Rate
2013	\$ 1,115,513,081	\$ 184,549,089	\$ 930,963,992	2.8786	2.8786
2014	1,146,792,774	189,734,079	957,058,695	2.7990	2.7990
2015	1,277,350,048	235,991,477	1,041,358,571	2.5760	2.5760
2016	1,420,184,654	282,449,207	1,137,735,447	2.4288	2.4288
2017	1,644,832,604	369,930,865	1,274,901,739	2.2545	2.2545
2018	1,725,511,845	356,747,965	1,368,763,880	2.1337	2.1337
2019	1,767,148,462	331,400,845	1,435,747,617	2.1000	2.1000
2020	1,931,299,599	330,558,297	1,600,741,302	2.0079	2.0079
2021	2,001,717,950	332,791,626	1,668,926,324	1.9999	1.9999
2022	2,114,666,240	374,155,923	1,740,510,317	1.9236	1.9236

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	
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
2021	1.9999	7.0100	4.8124	3.4581	2.3550	19.6354
2022	1.9236	6.8750	4.8149	3.4581	2.3131	19.3847

(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

	2022			2013		
	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.)	\$ 349,742,973	1	20.09%	\$ 124,855,491	1	13.41%
Juno Corp. (Villas of Juno Beach-Residential Rental Apartments)	30,302,131	2	1.74%	13,949,573	2	1.50%
Lifespace Communities, Inc. (The Waterford-Assisted Living)	20,314,754	3	1.17%	13,692,683	3	1.47%
Delray Property Investment, Inc. (Plaza La Mer Shops)	15,075,804	4	0.87%	10,000,000	4	1.07%
Seminole Golf Club (Golf Club)	12,254,222	5	0.70%	6,759,872	5	0.73%
Loggerhead Plaza, LLC (Office Complex)	12,054,280	6	0.69%	4,421,285	10	0.47%
NWI Beach House Center for Recovery LP (Medical Facility)	12,009,626	7	0.69%	-	-	-
Jeffrey S. Narlinger Trust (Private Residence)	10,081,737	8	0.58%	-	-	-
307 Alicante Drive Realty Land Trust (Private Residence)	8,406,223	9	0.48%	-	-	-
Juno Point Property Owner LLC (Caretta)	8,341,865	10	0.48%	-	-	-
Fried, Steven & Jill (Private Residence)	-	-	-	6,279,267	6	0.67%
Juno Square, LLP (Juno Square Plaza)	-	-	-	4,952,984	7	0.53%
Juno Bay Colony LLC (Bay Colony Condominiums)	-	-	-	4,509,296	8	0.48%
Jagi Juno LLC (Holiday Inn)	-	-	-	4,501,227	9	0.48%
Totals	\$ 478,583,615		27.49%	\$ 193,921,678		20.81%

Source: Palm Beach County Property Appraiser's Office

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

Fiscal Year Ending September 30,	Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Property Tax Collections	Collections as a Percent of Current Levy
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%	17	2,815,362	96.33%
2019	3,018,089	2,905,633	96.27%	2,844	2,908,477	96.37%
2020	3,118,931	3,096,157	99.27%	(51)	3,096,106	99.27%
2021	3,339,260	3,216,322	96.32%	-	3,216,322	96.32%
2022	3,349,470	3,226,028	96.31%	(2,211)	3,223,817	96.25%

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				
2013	\$ -		\$ -	N/A	\$ -
2014	-		-	N/A	-
2015	-		-	N/A	-
2016	-		-	N/A	-
2017	-		-	N/A	-
2018	-		-	N/A	-
2019	-		-	N/A	-
2020	-		-	N/A	-
2021	-		-	N/A	-
2022	-		-	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, 2022

	Total Outstanding	Percentage Applicable to Town of Juno Beach⁽¹⁾	Amount Applicable to Town of Juno Beach
Direct:			
Town of Juno Beach	\$ -	-	\$ -
Overlapping:			
Palm Beach County ⁽²⁾	\$ 26,250,000	0.72%	\$ 189,000
Palm Beach County School District ⁽³⁾	1,404,307,000	0.72%	10,111,010
Total overlapping debt	1,430,557,000		10,300,010
Total direct and overlapping debt payable from ad valorem taxes	\$ 1,430,557,000		\$ 10,300,010
Estimated population			3,869
Total direct and overlapping debt per capita			\$ 2,662

NOTES:

⁽¹⁾ Based on Ratio of Assessed Taxable Values

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

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

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

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

Fiscal Year	Town Population⁽¹⁾	Town Median Age⁽¹⁾	County Population⁽²⁾	County Median Age⁽²⁾	County per Capita Personal Income⁽²⁾	County Total Personal Income (\$000)⁽²⁾	County School Enrollment⁽⁴⁾	County Unemployment Rate⁽³⁾ (September)
2013	3,191	64.2	1,345,652	43.7	\$ 61,637	\$ 84,861,054	182,899	7.1%
2014	3,194	64.2	1,360,238	43.9	66,495	93,030,325	186,598	6.0%
2015	3,240	64.2	1,378,417	44.1	70,718	100,757,527	189,195	5.2%
2016	3,351	64.2	1,391,741	44.3	71,682	104,044,642	192,721	5.2%
2017	3,400	N/A	1,414,144	44.3	77,543	114,033,529	193,460	4.0%
2018	3,427	N/A	1,433,417	44.4	82,076	121,704,909	194,186	3.1%
2019	3,442	N/A	1,447,857	44.2	85,213	127,632,536	196,331	3.2%
2020	3,858	N/A	1,466,494	44.2	92,773	138,460,220	188,832	6.6%
2021	3,862	N/A	1,502,495	N/A	100,627	150,737,459	189,659	3.9%
2022	3,869	N/A	1,518,152	N/A	N/A	N/A	190,567	2.7%*

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, with updated 2020 Census information.
- (2) Source: Florida Legislature, Office of Economic and Demographic Research.
- (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/>

* Preliminary

N/A - Information not available.

Town of Juno Beach, Florida

Principal Employers

Current Year and Nine Years Ago

	2022 ⁽¹⁾			2013 ⁽¹⁾		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Employer						
Palm Beach County School District	22,426	1	N/A	20,810	1	N/A
Palm Beach County - BOCC	5,753	2	N/A	5,383	3	N/A
Tenet Health Coastal Division - PBC	5,734	3	N/A	6,100	2	N/A
NextEra Energy/Florida Power & Light	5,330	4	N/A	3,804	4	N/A
Florida Atlantic University	5,059	5	N/A	2,980	6	N/A
Boca Raton Regional Hospital	3,135	6	N/A	2,250	9	N/A
Veterans Health Administration	2,600	7	N/A	-	-	-
HCA Healthcare	2,419	8	N/A	2,714	7	N/A
The Breakers	2,300	9	N/A	-	-	-
Bethesda Hospitals	2,282 *	10	N/A	2,643	8	N/A
G4S Hdqtrrs (formerly Wackenhut Corporation)	-	-	-	3,000	5	N/A
Office Depot Headquarters	-	-	-	2,000	10	N/A
Totals	<u>57,038</u>		<u>N/A</u>	<u>51,684</u>		<u>N/A</u>

(1) Source: Business Development Board of Palm Beach County
Data is for Palm Beach County, Florida from January 2022 and 2013

* 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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	4.75	4.75	4.75	5.75
Public Safety										
Police officers	16	16	16	16	16	16	16	16	16	16
Administrative	2	2	2	2	2	2	2	2	2	2
Public Works	5	5	5	5	5	5	5	5	5	5
Total	33.5	33.5	33.5	33.5	33.5	33.5	33.75	33.75	33.75	34.75

Sources: Town departments

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

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Police										
Citations	1,530	1,354	1,352	1,069	965	676	817	404	361	418
Parking violations	59	66	46	48	87	24	22	60	13	32
House checks	929	1,413	1,141	1,195	1,210	828	698	666	415	541
Business checks	12,862	11,376	17,929	18,062	16,320	8,471	8,770	8,886	6,864	5,905
Reports	548	567	639	550	610	553	618	431	440	520
Crash reports	112	116	139	130	115	90	102	83	87	112
Arrests	157	131	221	169	217	89	61	37	85	111
Planning and Zoning										
Number of building permits	937	1,215	1,358	1,217	1,151	1,261	587	608	764	704
Value of building permits	\$ 24,017,342	\$ 45,491,615	\$ 41,056,680	\$ 18,459,686	\$ 30,911,629	\$ 16,674,463	\$ 26,710,499	\$ 27,273,447	\$ 62,180,412	\$ 43,287,620
Roads and Streets										
Street resurfacing (centerline miles)	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0

Sources: Town departments

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

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administrative										
Facilities (Town Center)	1	1	1	1	1	1	1	1	1	1
Planning and Zoning										
Vehicles	2	2	2	2	2	2	2	2	3	2
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	15	15	15	15	15	16	18	19	18	18
Public Works										
Facilities	3	3	3	3	3	3	3	3	3	3
Vehicles	7	7	7	7	7	7	7	7	6	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	3	3	3	3	2
Dune walkovers	8	8	7	7	7	7	7	7	7	8
Road and Streets										
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

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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 and the major fund of the Town of Juno Beach, Florida, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Juno Beach, Florida's basic financial statements and have issued our report thereon dated March 29, 2023.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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.

Nowlen, Holt & Mimes, P.A.

West Palm Beach, Florida
March 29, 2023



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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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, 2022, and have issued our report thereon dated March 29, 2023.

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 29, 2023, 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, excluding Coronavirus State and Local Fiscal Recovery Funds, and less than \$750,000 of state financial assistance for the fiscal year ended September 30, 2022, and was not required to have a federal single audit or a state single audit. The Town of Juno Beach, Florida expended more than \$750,000 of Coronavirus State and Local Fiscal Recovery Funds and elected for the alternative compliance attestation engagement in lieu of a federal 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 & Mimer, P.A.

West Palm Beach, Florida
March 29, 2023



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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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, 2022. 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 AICPA. 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 risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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, 2022.

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 29, 2023