



AUDIT OVERSIGHT COMMITTEE AGENDA

June 25, 2024 at 3:00 PM

Council Chambers – 340 Ocean Drive and YouTube

NOTICE: *Persons with disabilities requiring accommodations in order to participate in the meeting should contact Caitlin E. Copeland-Rodriguez, Town Clerk, at least 48 hours in advance to request such accommodations.*

CALL TO ORDER

PRESENTATIONS

1. Overview of Town Auditor Services & Report - Mauldin & Jenkins, LLC

CONSENT AGENDA

2. Audit Oversight Committee Meeting Minutes for April 23, 2024

DISCUSSION ITEMS

3. Discussion on Auditor's Discussion and Analysis Report Recommendations

ADJOURNMENT



Meeting Name: Audit Oversight Committee Meeting
Meeting Date: June 25, 2024
Prepared By: C. Copeland-Rodriguez, Town Clerk
Item Title: Overview of Town Auditor Services & Report - Mauldin & Jenkins, LLC

DISCUSSION:

At the April 23rd meeting, the Committee gave consensus to have the Town's Auditor conduct a brief overview of their services and report to the Committee.



AUDIT OVERSIGHT COMMITTEE MEETING MINUTES

April 23, 2024 at 3:00 PM

Council Chambers – 340 Ocean Drive and YouTube

PRESENT: NANCY WOLF, CHAIRPERSON
WILLIAM VIGGIANO, VICE CHAIR
ANITA BLOOM, COMMITTEE MEMBER
ANTHONY PACE, COMMITTEE MEMBER
ANDREW SPILOS, COMMITTEE MEMBER

ALSO PRESENT: MICHAEL VENTURA, FINANCE DIRECTOR
LEONARD RUBIN, TOWN ATTORNEY
CAITLIN E. COPELAND-RODRIGUEZ, TOWN CLERK

AUDIENCE: 6

CALL TO ORDER – 3:00PM

PRESENTATION

1. Swearing in Audit Oversight Committee Members

DISCUSSION ITEMS

2. Designate the Position of Chairperson

Town Attorney Rubin opened nominations for the position of Chair.

Committee Member Bloom nominated Committee Member Wolf for the position of Chairperson.

With no further nominations, Committee Member Wolf was selected as Chairperson.

Chairperson Wolf opened nominations for the position of Vice Chair.

Chairperson Wolf nominated Committee Member Viggiano for the position of Vice Chair.

With no further nominations, Committee Member Viggiano was selected as Vice Chair.

3. Review of Sunshine Laws by Town Attorney Rubin
4. Overview of Committee Duties and Responsibilities by Finance Director Ventura

The Committee gave unanimous consensus to have the Town Auditor present an overview of the FY 2023 audit report at the next meeting; and commence analyzing and reviewing the Auditor's

recommendations of reviewing the Town's cybersecurity, disaster preparedness, and operational strategy/internal controls.

5. Review and Approval of Committee Quarterly Meeting Dates

The Committee gave unanimous consensus to have the next meeting on Thursday, May 16, 2024, at 3pm; a meeting on Tuesday, June 25, 2024, at 3pm; and approve all the proposed meeting dates and times in staff's memorandum for FY 2024-2025 and FY 2025-2026.

ADJOURNMENT

Chairperson Wolf adjourned the meeting at 3:31pm.

Nancy Wolf, Chairperson

Caitlin E. Copeland-Rodriguez, Town Clerk

DRAFT



Meeting Name: Audit Oversight Committee Meeting
Meeting Date: June 25, 2024
Prepared By: C. Copeland-Rodriguez, Town Clerk
Item Title: Discussion on Auditor's Discussion and Analysis Report Recommendations

DISCUSSION:

At the April 23rd meeting, the Committee gave consensus to review and discuss the Auditor's Discussion and Analysis Report recommendations.



Town of Juno Beach, Florida

Auditor's Discussion and Analysis Financial and Compliance Audit Summary September 30, 2023

Presented by: Daniel Anderson, CPA
(941) 747-4483

mjcpa.com



TOWN OF JUNO BEACH, FLORIDA

Auditor's Discussion and Analysis (AD&A)

September 30, 2023

PURPOSE OF ANNUAL AUDITOR'S DISCUSSION AND ANALYSIS

- ◆ Engagement Team and Firm Information.
- ◆ Overview of:
 - Audit Opinion;
 - Financial Statements;
 - Compliance Report.
- ◆ Required Communications under *Government Auditing Standards*.
- ◆ Accounting Recommendations and Related Matters.
- ◆ Answer Questions.



VISION

To be a trusted advisor, earning trust and building respect through our consistent commitment to sustainable excellence, leadership, and integrity.

TOWN OF JUNO BEACH, FLORIDA

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MAULDIN & JENKINS, LLC BY THE NUMBERS



CONSISTENTLY RANKED AS A TOP ACCOUNTING FIRM IN THE U.S.

100+ year
HISTORY
OF QUALITY SERVICE

Serve 700+
GOVERNMENT CLIENTS

GOVERNMENTAL PARTNERS **16**



160+ TEAM MEMBERS DEDICATED TO SERVING THE GOVERNMENTAL INDUSTRY



6 STATES | **14** OFFICES



290+

SINGLE AUDITS PERFORMED LAST YEAR COVERING OVER \$7 BILLION OF FEDERAL GRANTS



140,000+

HOURS ANNUALLY PROVIDED TO GOVERNMENTAL CLIENTS

150+

CURRENT CLIENTS AWARDED THE GFOA CERTIFICATE OF EXCELLENCE



NATIONALLY RECOGNIZED

Engagement Team Leaders Include:

- Daniel Anderson, Engagement Lead Partner: 15 years of experience.
- Wade Sansbury, Quality Assurance Partner: 28 years of experience.

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MAULDIN & JENKINS – ADDITIONAL INFORMATION

Other Industries and Services by Mauldin & Jenkins:

Each of Mauldin & Jenkins' offices provides a wide variety of services to a broad range of clientele. We have partners and managers who are responsible for specialized practice areas of auditing and accounting, taxes and management advisory services. Their purpose, as leaders in the particular practice area, is to establish policies with respect to technical matters in these specific areas and ensure that the quality of the Firm's practice is maintained.

Industries Served: Over the years, our partners have developed expertise in certain industries representative of a cross section of the Florida economy, including:

- Governmental Entities (state entities, cities, counties, school systems, business type operations, libraries, and other special purpose entities)
- SEC Registrants
- Wholesale Distribution
- Agri-Businesses
- Manufacturing
- Professional Services
- Employee Benefit Plans
- Financial Institutions (community banks, savings and loans, thrifts, credit unions, mortgage companies, and finance companies)
- Non-Profit Organizations
- Retail Businesses
- Long-Term Healthcare
- Construction and Development
- Individuals, Estates and Trusts
- Real Estate Management

Services Provided: This diversity of practice enables our personnel to experience a wide variety of business, accounting and tax situations. We provide the traditional and not-so-traditional services such as:

- Financial Audit/Review/Compilation
- Compliance Audits and Single Audits
- Agreed-Upon Procedures
- Forensic Audits
- Bond Issuance Services
- Performance Audits
- State Sales Tax Matters
- International Tax Matters
- Business and Strategic Planning
- Profitability Consulting
- Budgeting
- Buy-Sell Agreements and Business Valuation Issues
- Income Tax Planning and Preparation
- Multi-State Income Tax Issues
- Information Systems Consulting
- Cost Accounting Analysis
- Healthcare Cost Reimbursement
- Outsourced Billing Services
- Fixed Asset Inventories
- Succession and Exit Strategy Consulting
- Estate Planning
- Management Information Systems
- Employee Benefit Plan Administration
- Merger/Acquisition and Expansion Financing

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INDEPENDENT AUDITOR'S REPORT

The independent auditor's report has specific significance to readers of the financial report.

Opinion

We have issued an unmodified audit report (i.e., "clean opinions"). The respective financial statements are considered to present fairly the financial position and results of operations as of, and for the year ended.

Responsibilities of Management for the Financial Statements

The financial statements are the responsibility of management.

Auditor's Responsibility for the Audit of the Financial Statements

Our responsibility, as external auditors, is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We planned and performed our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Other Reporting

Government Auditing Standards require auditors to issue a report on our consideration of internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. We have issued such a report and reference to this report is included in the independent auditor's report.

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REQUIRED COMMUNICATIONS

The Auditor's Responsibility Under *Government Auditing Standards*
and Auditing Standards Generally Accepted in the United States of America

Our audit of the financial statements of Town of Juno Beach, Florida (the "Town") for the year ended September 30, 2023, was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error, fraudulent financial reporting or misappropriation of assets. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Accordingly, the audit was designed to obtain reasonable, rather than absolute, assurance about the financial statements. We believe our audit accomplishes that objective.

In accordance with *Government Auditing Standards*, we have also performed tests of controls and compliance with laws and regulations that contribute to the evidence supporting our opinion on the financial statements. However, they do not provide a basis for opining on the Town's internal control or compliance with laws and regulations.

Accounting Policies

Management has the ultimate responsibility for the selection and use of appropriate accounting policies used by the Town. During the current year, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 96. In addition, there are several new accounting standards which will be required to be implemented in the coming years. These are discussed later in this document.

In considering the qualitative aspects of the Town's accounting policies, we did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. The Town's policies relative to the timing of recording of transactions are consistent with GAAP and typical government organizations.

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Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. Management has informed us they used all the relevant facts available to them at the time to make the best judgments about accounting estimates and we considered this information in the scope of our audit. We considered this information and the qualitative aspects of management's calculations in evaluating the Town's significant accounting policies. Estimates significant to the financial statements include such items as: the estimated lives of depreciable assets; actuarial assumptions and concepts relative to the benefit plans; deferred revenues; valuation of financial and non-financial instruments; the estimated incurred-but-not-reported liabilities; conservation commitments; extraordinary items; and the estimated allowance for uncollectible accounts.

Financial Statement Disclosures

The footnote disclosures to the financial statements are also an integral part of the financial statements. The process used by management to accumulate the information included in the disclosures was the same process used in accumulating the financial statements, and the accounting policies described above are included in those disclosures. The overall neutrality, consistency, and clarity of the disclosures was considered as part our audit and in forming our opinion on the financial statements.

Significant Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management relating to the performance of the audit.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

Representation from Management

We requested written representations from management relating to the accuracy of information included in the financial statements and the completeness and accuracy of various information requested by us, during the audit. Management provided those written representations without a problem.

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Management's Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

There were no significant issues discussed with management related to business conditions, plans, or strategies that may have affected the risk of material misstatement of the financial statements. We are not aware of any consultations management had with us or other accountants about accounting or auditing matters. No major issues were discussed with management prior to our retention to perform the aforementioned audit.

Independence

We are independent of the Town, and all related organizations, in accordance with auditing standards promulgated by the American Institute of Public Accountants and *Government Auditing Standards*, issued by the Comptroller General of the United States.

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OTHER MATTERS FOR COMMUNICATION TO THE BOARD AND MANAGEMENT

During our audit of the financial statements as of and for the year ended September 30, 2023, we noted other matters which we wish to communicate to you in an effort to keep the Town abreast of accounting matters that could present challenges in financial reporting in future periods.

Recommendations

Cybersecurity

Recent headlines have seen no shortages of cyber-attacks across the governmental landscape, including many here in Florida. These attacks have varied from using ransomware to take control of a government's enterprise resource planning (ERP) system, targeted attempts through email to change vendor information, and attacks on water supply systems whereby an attacker gained access to the water control system and altered chemical additives to the purification process.

While all attacks are difficult to eliminate, we want to recommend the Town continue to develop and maintain a functioning Cybersecurity Risk Management Program to assist with comprehensively identifying cybersecurity weaknesses, potential threats and risks, and controls used to safeguard information and systems. We also recommend that you continue to investigate, develop and consider implementation of a Cybersecurity Risk Management Program covering Cybersecurity risk assessment, identification of sensitive data, use of strong passwords, software updates/patching cadence, audit security measures, and monitoring and testing of controls in place. A complete Cybersecurity Risk Management Program also encompasses incident response, disaster recovery, and business continuity policies and procedures, as well as, regular testing of the organization's back-ups. Our Firm has experts in place to help you with these efforts. Please feel free to reach out to us if we may ever be of service to you in these areas.

Disaster Preparedness

Disaster preparedness has become an increasingly important issue for local jurisdictions. Entrusted with mitigating the effects of disasters, local jurisdictions regard a quick response and effective recovery a paramount goal of disaster planning. For local jurisdictions, the concept of resiliency should be an integral part of disaster preparedness. Resiliency emphasizes the capacity of infrastructure, operations, and even social systems to respond to and recover from extreme events. Resilient systems reduce the probabilities of failure, the consequences of failure (such as deaths and injuries, physical damage, and negative economic and social effects), and the time for recovery. A resiliency-based approach is not reactionary to the effects of a disaster but establishes parameters to contain the effects and because of this, a jurisdiction can measure its resiliency by how quickly it can rebound.

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Traditional disaster preparedness emphasizes reacting to a disaster to effectively minimize losses rather than establishing a capital program to invest in assets that can better withstand and recover from extreme events. A growing sentiment within local jurisdictions recognizes that reactive policies may not be enough. Instituting a resiliency-based approach to capital planning can help sustain local services and assure that local jurisdictions remain functional or recover more rapidly following a disaster.

Building resiliency into the capital planning process includes setting appropriate parameters for new construction and the continued maintenance of key assets and infrastructure in order to strengthen a community's ability to withstand and respond to a disaster. Establishing a resilient capital program can aid the Town by identifying costs associated with building, rebuilding or retrofitting infrastructure prior to disasters, and emphasizes the constant need for continued maintenance and improvement. A resiliency-based capital program can help the Town identify critical assets, prioritize infrastructure risk, build in the appropriate and necessary costs, and establish a system that reduces the impact of disasters and the time required for a community to recover and get critical services back up and running.

We recommend the Town incorporate resiliency into the capital planning process to produce a sustainable community and mitigate the effects of disasters. Ways of incorporating resiliency in the capital planning process include:

- a) **Raising the visibility of resiliency by including in capital plans.** Resiliency-based capital planning recognizes the likelihood of disasters and operates proactively to reduce effects on the community. In planning for new capital projects, resiliency should be among the factors considered in prioritizing the construction, maintenance, or replacement of infrastructure and assets.
- b) **Establishing roles and engaging the general public.** It is essential for the Town to promote financial literacy to its citizens and its governing board so they understand the trade-offs associated with resiliency investments. For that reason, a program seeking to build a resilient community must include at a minimum the following participants: finance officers, Town manager, public safety officers, emergency management and business continuity officers, engineers and construction project managers, public works officials, building regulations staff and planning and risk management staff as well as the public.
- c) **Developing a resiliency plan.** Identifying the types of extreme events likely to befall upon the Town and the type of infrastructure most likely to be affected provides the basis for resiliency investment and initiates the process for establishing measures of success.
- d) **Planning begins by identifying resiliency needs.** To properly establish a resiliency-based approach to capital projects, the Town should prepare a comprehensive inventory of its physical assets, create a system to determine critical assets and respective resiliency, and establish a scoring system that evaluates levels of resiliency. By doing so, the Town can assess the ability of **infrastructure** and operational systems to withstand disasters.

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- e) **Funding decisions should be pursued after resiliency plans and project prioritization have been finalized.** Funding and building resiliency into infrastructure assets and operational systems can proceed in two basic ways. First, the Town can use the rating system and prioritization to determine if resilient practices can be funded by capital budgets. This step should consider both resilient projects and non-resilient projects, and base funding decisions on the critical nature and need of the project. Second, if resiliency funding falls outside the scope of the capital budget, the Town can pursue alternative funding mechanisms such as federal or state grants.

Including the Finance Department as Part of Disaster Preparedness

Planning for a disaster is no easy task. Calamity, man-made or natural, may strike at any time, threatening public safety or property, and recovery can be difficult and costly. The challenges the Town could face could be even greater if the Town's emergency operations plan does not specify the roles and responsibilities the Finance Department should play in an emergency. Upon determining the potential financial impact of a disaster, the Town should consider incorporating the Finance Department into its emergency operations plan and spell out four (4) phases of its emergency management process: mitigation, preparedness, response, and recovery:

- a) **Mitigation.** The finance team actively participates in the disaster mitigation process by allocating financial resources such as hazard mitigation grants to reduce the risk of identified hazards.
- b) **Preparedness.** The team conducts annual disaster workshops for all city departments to review the Town's policies and guidelines.
- c) **Response.** Preparing Town staff and the community at large before an emergency takes place makes it easier for the Town to coordinate response when a disaster occurs.
- d) **Recovery.** Because recovery can be a lengthy and costly process, the city manages its resources efficiently and tracks costs for reimbursement that will help return it to pre-disaster conditions.

Through clearly defined and designated roles, the Town's Finance Department can play a key part in ensuring that the Town mitigates its risks, is prepared, can effectively respond and quickly recover when disaster strikes.

Operational Strategy

During our discussions with management and governance, we noted that the Town has had turnover at key management positions, including the Town manager and Finance Director, within the last 12 months. Anytime there is a change in key personnel, it provides an opportunity to evaluate the operations of the Town and determine if any best practices can be implemented to enhance operating efficiencies and effectiveness. Potential areas for enhancement relate to policies, procedures, internal controls business processes, organization and general operations.

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We were also made aware that the Town Council has created an audit oversight committee to work closely with management to evaluate the current operations and assist management with resources needed to implement suggestions for improvement. We recommend the Town utilize the audit oversight committee to assist in this process. Specific areas for evaluation could be, but are not limited to, the following:

- a) Budgeting Process;
- b) Grants Management;
- c) Operational and Performance Assessment;
- d) Others as deemed appropriate by the Town.

Ultimately, governance is responsible for establishing the areas that are of utmost concern for the Town, and directing management to employ a strategy to ensure that the Town is in the best position to mitigate any potential risks that may be a threat to the Town.

New Governmental Accounting Standards Board (GASB) Standards



As has been the case for the past ten years, GASB has issued several other new pronouncements which will be effective in future years. The following is a brief summary of the new standards:

- a) **Statement No. 100, *Accounting Changes and Error Corrections*** was issued in June 2022 and is effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for: (1) certain changes in accounting principles, and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This statement also addresses corrections of errors in previously issued financial statements.

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This statement prescribes the accounting and financial reporting for: (1) each type of accounting change, and (2) error corrections. This statement requires that: (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

- b) Statement No. 101, *Compensated Absences*** was issued in June 2022 and is effective for fiscal years beginning after December 15, 2023 and all reporting periods thereafter.

This statement requires that liabilities for compensated absences be recognized for: (1) leave that has not been used, and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if: (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time-off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time-off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined

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benefit post-employment benefits should not be included in a liability for compensated absences.

This statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

- c) **Statement No. 102, Certain Risk Disclosures** was issued in December 2023 and is effective for fiscal years beginning after June 15, 2024 and all reporting periods thereafter.

State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

This statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

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If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following:

- The concentration or constraint.
- Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements.
- Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

d) Other Pending or Current GASB Projects. As noted by the numerous pronouncements issued by GASB over the past decade, the GASB continues to research various projects of interest to governmental units. Subjects of note include:

- **Re-Examination of the Financial Reporting Model.** GASB has added this project to its technical agenda to make improvements to the existing financial reporting model (established via GASB 34). Improvements are meant to enhance the effectiveness of the model in providing information for decision-making and assessing a Commission's accountability. GASB anticipates issuance of a final standard in late 2023 or early 2024.
- **Revenue and Expense Recognition** is another long-term project where the GASB is working to develop a comprehensive application model for recognition of revenues and expenses from non-exchange, exchange, and exchange-like transactions. The final standard is expected in mid-2027.
- **Going Concern Uncertainties and Severe Financial Stress** is a major project where the goal is to address issues related to disclosures regarding going concern uncertainties and severe financial stress. The project will consider: (1) improvements to existing guidance for going concern considerations to address diversity in practice and clarify the circumstances under which disclosure is appropriate, (2) developing a definition of severe financial stress and criteria for identifying when governments should disclose their exposure to severe financial stress, and (3) what information about a commission's exposure to severe financial stress is necessary to disclose. This technical topic is being examined by the GASB due to a wide diversity in practice regarding required presentation on the face of the financial statements, disclosures, etc. An exposure draft on this topic is expected by mid-2025.

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FREE QUARTERLY CONTINUING EDUCATION
AND NEWSLETTERS FOR GOVERNMENTAL CLIENTS

Free Continuing Education. We provide free quarterly continuing education for all of our governmental clients. Each quarter, we pick a couple of significant topics tailored to be of interest to governmental entities and offer the sessions several times per quarter at a variety of client provided locations resulting in greater networking among our governmental clients. We normally see approximately 100 people per quarter. We obtain the input and services of experienced outside speakers along with our in-house professionals.

"I've been a CPA for 32 years. Today's CPE class by Mauldin & Jenkins has been the best of my career". Terry Nall, CPA, City of Dunwoody (GA) Council Member

"They are always on top of new accounting pronouncements and provide training well before implementation deadlines. This is a very valuable resource for our organization". Laurie Puckett, CPA, CPFO, Gwinnett County (GA), Accounting Director

Examples of subjects addressed in past quarters include:

- Accounting for Debt Issuances
- ACFR Preparation (several times including a two-day hands-on course)
- Achieving Excellence in Financial Reporting
- Best Budgeting Practices, Policies and Processes
- Best Practices in Banking
- Budget Preparation
- Capital Asset Accounting Processes and Controls
- Closing Out and Audit Preparation
- Collateralization of Deposits and Investments
- Component Units
- Cybersecurity Risk Management
- Evaluating Financial and Non-Financial Health of a Local Government
- Financial Report Card – Where Does Your Government Stand?
- Financial Reporting Model Improvements
- GASB No. 74 & 75, New OPEB Standards
- GASB No. 77, Tax Abatement Disclosures
- GASB No. 84, Fiduciary Activities
- GASB No. 87, Leases
- GASB Projects & Updates (ongoing and several sessions)



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- Grants (Accounting and Auditing)
- Human Capital Management
- Information Technology (IT) Risk Management
- Internal Controls Over Accounts Payable, Payroll and Cash Disbursements
- Internal Controls Over Receivables & the Revenue Cycle
- Internal Revenue Service (IRS) Compliance Issues, Primarily Payroll Matters
- Legal Considerations for Debt Issuances & Disclosure Requirements
- Policies and Procedures Manuals
- Presenting Financial Information to Non-Financial People
- Procurement Card Red Flags
- Risk, Efficiency, & Effectiveness in Governments
- Segregation of Duties
- Single Audits for Auditees
- SPLOST Accounting, Reporting & Compliance
- Uniform Grant Guidance

Governmental Newsletters. We periodically produce newsletters tailored to meet the needs of governments. The newsletters have addressed a variety of subjects and are intended to be timely in their subject matter. The newsletters are authored by Mauldin & Jenkins partners and managers and are not purchased from an outside agency. The newsletters are intended to keep you informed of current developments in the government finance environment.

In the past several years, the following topics have been addressed in our monthly newsletters:

- Are Your Government's Funds Secure?
- COVID-19 Updates (several)
- Cybersecurity Awareness
- Deposit Collateralization
- Employee vs Independent Contractor
- Escheat Laws on Unclaimed Property
- Federal Funding and Accountability Transparency Act
- Forensic Audit or Financial Audit?
 - Form PT 440
 - GASB Invitation to Comment – the New Financial Reporting Model
 - GASB No. 72, Fair Value, It is Not Totally About Disclosure
 - GASB No.'s 74 & 75, Other Post-Employment Benefits (OPEB)



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- GASB No. 77, Abatements – Go Viral with GASB 77
- GASB No. 84 Fiduciary Activities (Series)
- GASB No. 87, Leases
- GASB No. 89, Accounting for Interest Cost Incurred Before the End of Construction
- GASB No. 91, Conduit Debt Obligations
- GASB No. 93, Replacement of Interbank Offered Rates
- General Data Protection Regulation (GDPR)
- Grants Management
- OMB Compliance Supplements
- OPEB, What You Need to Know
- Public Funds and Secure Deposit Program
- Property Tax Assessments
- Remote Auditing Best Practices
- Refunding Debt
- Rotating or Not Rotating Auditors
- Sales & Use Taxes on Retail Sales of Jet Fuel
- Sales Tax Collections and Remittances by the State
- SAS Clarity Standards and Group Audits
- Single Audit, including Uniform Guidance (several)
- Social Security Administration (SSA) Incentive Payments
- Special Purpose Local Option Sales Taxes (SPLOST) Expenditures
- Subrecipient Risk Assessment Tool
- Supplemental Social Security for Inmates
- The New Tax Cuts and Jobs Act – Impact on Bond Refunding
- The Return of the Component Unit – GASB 61
- Uniform Guidance & New Procurement Requirements
- What's Happening with Property Tax Assessments

Communication. In an effort to better communicate our free continuing education plans and newsletters, please email Paige Vercoe at pvercoe@micpa.com (send corresponding copy to afraley@micpa.com), and provide individual names, mailing addresses, email addresses and phone numbers of anyone you wish to participate and be included in our database.

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GOVERNMENTAL ADVISORY SERVICES

Beyond traditional audit and accounting services and IT services, we provide advisory services that are wide-ranging in nature. Our experienced government advisory team helps governments, governmental agencies and special purpose governmental organizations balance fiscal responsibility with the latest business strategies to achieve targeted and overarching objectives. Our advisory services can be summarized via the following chart.



David Roberts
Partner, Governmental Advisory Services

David Roberts has more than 22 years of experience as a consultant and trusted advisor providing operational/organizational assessments and similar transformational projects for federal, state, and local governments across the country. David's experience includes leading numerous enterprise-wide/departmental/functional assessments and transformations over his career measuring the efficiency and effectiveness of organizational structures and culture, performance management, technology systems and strategies, staffing models, service delivery models, and customer satisfaction.



David helps his clients turn visions and goals into reality. He has helped multiple clients win national government industry awards for innovation, transformation, and cost savings.

David leads our Government Advisory practice, where he focuses on helping governments and individual agencies fulfill and exceed their financial, operational, and regulatory obligations to the public.

David has completed hundreds of projects over his career. On the following page are representative sample management consulting projects demonstrating David's depth and breadth completed within the past 12 months.

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Operational and Performance Assessment – Walton County, Georgia

David led a multi-department Operational and Performance Assessment for Walton County. The scope included assessing organizational structure, operational efficiency, staffing levels and resource utilization, comparison to leading practices, and observations and recommendations to assist the County in achieving the desired future state. The final report included numerous observations with associated recommendations and a detailed Roadmap/Implementation Plan.

Outsourcing Feasibility Study – City of Rocky Mount, North Carolina

David led a feasibility study for the City of Rocky Mount to assess its current service delivery model for providing parks maintenance and landscaping services. City operations used of a hybrid model of both internal resources and third-party contractors to provide parks maintenance and landscaping. The project evaluated the pros and cons (both financial and non-financial) of: (1) maintaining the hybrid model, (2) performing all services in-house, and (3) performing all services externally.

Finance Functional Assessment – Richland County Library, South Carolina

David led a functional assessment of the Library's finance department. The project consisted of understanding the current state – current service provision, performance, workflow, business processes, internal controls, organizational structure, reporting, and communications. The current state was compared to leading practices and gaps were identified. An implementation roadmap was created that aligned recommendations to leaderships' vision to help the organization achieve its desired future state.

Technology Utilization Assessment – Mt. Pleasant Waterworks (South Carolina)

David led an objective evaluation of the organization's system usage and governance related to the existing financial system (Microsoft Dynamics) and the existing workorder management system (Maximo). The organization wanted to maximize the efficiency and effectiveness of both systems while maintaining internal controls and system of record. The project consisted of numerous interviews, data review, system mapping, and a collaborative workshop among stakeholders to define a future state.

Grant Compliance Audit – Decide DeKalb (Georgia)

David led a Grant Compliance Assessment of various development projects for Decide DeKalb. The project reviewed the established grant and contractual criteria to be maintained by developers and compared with tenant information related to low-income occupants. The project identified areas of compliance, non-compliance, and recommendations for remediation.

Forensic Audit – Confidential City

David led a forensic investigation into questionable cash management activity for a City Parks and Recreation department. The project reviewed bank account activity, cancelled checks, cash withdrawals, and purchased item documentation as well as conducted interviews with account cardholders to determine the collection, handling, and use of several hundred thousand dollars collected in fees, sponsorships, and contributions made to the City. Numerous observations and corresponding recommendations were developed to enhance internal controls, written policies, and procedures to correct conflicts of interest, mishandling of funds, and misappropriation of funds.

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GOVERNMENTAL IT SOLUTIONS

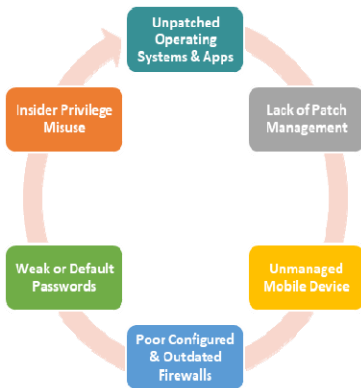
Beyond traditional audit and accounting services, Mauldin & Jenkins performs various IT attestation and non-attestation services. The following are three such services:

Cybersecurity Framework Engagements

With governments dealing with IT ransoms, cybersecurity is one of the top issues on the minds of nearly every government (large and small). Managing this business issue is especially challenging. A government with a highly mature cybersecurity risk management program still has a residual risk that a material cybersecurity breach could occur and not be detected in a timely manner.



Services can be provided via: (1) attestation engagements, or (2) consulting engagements. The AICPA has established standards for performing attestation engagements in this arena with the issuance of the SOC for Cybersecurity as part of its suite of System and Organization Controls (SOC) reporting. Consulting services can be provided while not compromising auditor independence.



System Vulnerability Assessments Engagements

This is the process of defining, identifying, classifying and prioritizing vulnerabilities in computer systems, applications and networks infrastructures, and providing an assessment with necessary knowledge, awareness and risks to understand the threats to determine appropriate reactions. Using specialized tools and applications, we can access networks to scan with automated tools and interrogate every device connected to network with the objective of searching for misconfigurations, unsupported software, missing software updates and patches, etc.

Penetration Testing Engagements

This is the practice of testing a computer system to find security vulnerabilities that a hacker/attacker could exploit using automation or manual applications. The process involves gathering information about the target before the test, identifying possible entry points, attempting to break in – actually or virtually – and reporting back the findings. Tests come from external or internal angles of entry. Our main objective is to identify security weaknesses. Penetration testing can also be used to: test an organization's security policy; its adherence to compliance requirements; its employees’ security awareness; and, the government’s ability to identify and respond to security incidents.



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CLOSING

This information is intended solely for the use of the Town's management, and others within the Town's organization and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to serve Town of Juno Beach, Florida and look forward to serving the Town in the future. Thank you.

