

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
TOWN OF JUPITER, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2018**



**Prepared By:
Finance Department**

**Michael Vilella, C.P.A.
Finance Director**

TOWN OF JUPITER, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION



TOWN OF JUPITER

March 6, 2019

The Honorable Mayor, Members of the Town Council and Citizens
Town of Jupiter, Florida

The Comprehensive Annual Financial Report (CAFR) of the Town of Jupiter, Florida, (the "Town") for the fiscal year ended September 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

Management of the Town is responsible for establishing and maintaining internal controls designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with U.S. generally accepted accounting principles. The Town's internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and, (2) the valuation of costs and benefits requires estimates and judgments by management.

The Town's financial statements are audited by an independent certified public accounting firm. The objective of the audit involves 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 to provide reasonable assurance that the financial statements are free of material misstatements.

As part of the Town's annual audit, a review is made of internal controls and tests are performed to determine that the Town has complied with applicable laws and regulations. The results of the Town's audit for the fiscal year ended September 30, 2018 identified no instances of material weaknesses in internal controls or material violations of applicable laws and regulations.

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 beginning on page 4 of this report.

GOVERNMENT PROFILE

Government Entity: The Town of Jupiter was incorporated in 1925 as a political subdivision of the State of Florida. Since that time the Town's geographic size has increased from approximately 8.5 square miles to just over 23 square miles. Located on the Atlantic Ocean in northern Palm Beach County, Jupiter is a vibrant coastal community of more than 60,000 year-round residents, having grown from a sleepy, seaside community with less than 10,000 residents in 1980. During the "season," which runs from Thanksgiving to Easter, an additional 12,000-15,000 residents call Jupiter "home".

The Town has operated under the Council-Manager form of government since the early 1970's. Policy making and legislative authority are vested in the Town Council. The Council consists of the Mayor and four other Councilors. The Town Manager is appointed by the Town Council and is responsible for carrying out the policies and ordinances established and approved by the Town Council and managing the day-to-day activities of the Town government. The Town provides a variety of services including public safety, public works, culture and recreation, protective inspections, water and stormwater utilities as well as general administrative services.

Reporting Entity: The management of the Town has considered whether there are potential component units that should be included in the Town's financial statements, by applying the criteria set forth by U.S. generally accepted accounting principles. Based upon the application of these criteria, the only entity to consider was the Jupiter Community Redevelopment Agency (the "CRA"); a dependent special district established by the Town, under authority granted by Florida Statute 163, Section III. The CRA is included in the Town's financial reporting entity as a blended component unit reported in a governmental (special revenue) fund, the *Community Redevelopment Fund*.

Budgetary Control: The Town adopts an annual operating budget which serves as the foundation for the Town's financial planning and control. The Town Council is required by state statute to hold two public hearings and adopt a final budget by no later than the beginning of the fiscal year (October 1st). The operating budget is prepared by fund, function and department. Directors, with the Town Manager's approval, may make budget transfers within a department. Transfers between departments require the approval of the Town Council. In addition to the operating budget, the Town Council also updates and approves the Town's five-year Community Investment Program annually.

FINANCIAL CONDITION AND OUTLOOK

Local Economy: Palm Beach County is the 3rd most populous county in the State of Florida. The latest population estimate prepared by the US Census Bureau indicates that the current population of the Town exceeds 60,000 and the County is approximately 1.4 million. Projections show the County population growing at an estimated rate of 15 percent over the next 15 years, with corresponding increases in service businesses and light industry. The County's median family income is \$74,300 and the October 2018 unemployment rate was 3.1%.

The Town's major challenges are to provide the infrastructure and services required to maintain the quality of life to which Jupiter's residents and visitors have grown accustomed, to create future economic growth opportunities for the community and to position Jupiter to be ready to capitalize on those opportunities as the local and state economies remain stable.

Major Industries: As the strength of the local and national economy remains strong, the Town's primary focus in relation to future job creation is on the targeted industries of biotechnical science and aerospace engineering. Since 2007, the Town has utilized the resources of its Economic Development Fund, in conjunction with its strategic partners, to provide financial assistance to growing biotech businesses which allowed them to develop new technologies and create jobs in our community. Often times, these new technologies are discovered or nurtured at The Scripps Research Institute and Max Planck Florida

Institute for Neuroscience, both located in Jupiter at the Florida Atlantic University campus. Since the inception of the Economic Development Fund and Jupiter's proactive approach to industry recruitment and expansion, in excess of 1,000 high skill, high wage positions have been created by the targeted industries in the Town. Jupiter's efforts to create a diversified economy in relation to its current economic base, which has traditionally centered on tourism, healthcare, retail and housing activities, has shown positive growth over the last year and provides the Town with a realistic opportunity to grow the local economy in the coming years.

Future Outlook: The future outlook for Jupiter, the surrounding area and the state as a whole, however, still indicates minimal growth in job creation and economic activity well into 2018. However, unlike many jurisdictions around the country, the Town took a proactive approach in dealing with the realities of the recession and positioned itself for financial stability during the economic downturn. With slow growth returning, the Town saw growth in its tax base from home valuations and sales taxes and expects this trend to continue. The town continues to realigns its priorities, institute training to encourage process improvement initiatives and focuses efforts on quality service delivery and cost savings. Capital improvements that were deferred during the economic downturn are now being addressed as tax revenues are capable of supporting those critical needs. The Town and private investment in the Community Redevelopment Agency (CRA) have had a positive impact on the Town and assisted in the slow recovery of its tax base to prerecession levels.

Future Outlook: The future outlook for Jupiter, the surrounding area and the state as a whole, indicates stable growth in job creation and economic activity well into 2019 and beyond. With the stabilization of home valuations and sales tax income over the past five years, the Town is positioned to take on the challenges of infrastructure improvements and revitalization. Recognizing the Town is now near buildout over the next few years, the challenges that face the Town come in the form of transitioning from a growth based economy to an economy based on rehabilitation of commercial structures and tourism. The Town with its focus on the bioscience and aerospace engineering industries will continue to create high skill/high wage positions within the community and foster opportunities for prosperity and business growth well into the near future based on sound economic development practices.

Relevant Financial Policies: The Town has an "informal" policy supported by the Town Council in each year's annual operating budget that provides for the unassigned fund balance in the General Fund to equal or exceed twenty-five percent (25%) of the subsequent year's operating budget. Historically speaking, the Town has always maintained a fund balance targeted to protect its interest and provide needed financial resources to restore services and provide clean up in the event of natural disasters such as major hurricanes, to provide loans to other funds, and to ensure that large projects that have required the use of fund balance are completed successfully. In order to maintain this balance and allow the Town to continue its obligation to its residents as a first responder in the face of natural disasters and other unforeseen circumstances, the Town has implemented the following cost strategies to reduce operating cost and allow for an appropriately sized unassigned fund balance:

- Reduce the size of government based on community needs.
- Aggressively seek affordable healthcare options to allow for sustained viability of the overall health plan while working to reduce the Town's operating costs.
- Restructure pay for performance and review the size to the organizations workforce based on the needs of the community.
- Realign capital investments to better align with the strategic goals of the Town.

Major Initiatives: The Town has devoted significant amounts of time, energy and resources over the years to the continued growth and development that has occurred and the many challenges that strong growth has brought with it. Even during recessionary times the Town continued to reinvest in itself to assure that when the recession ended the Town continued to prosper and meet expectations of its business community and residents.

During the budget planning process, the Town introduces or continues various initiatives/capital programs, each of which integrates the current activity of the Town into a five year forward looking Community Investment Program.

The Town, through its five year Community Investment Program, will be devoting financial resources to a number of projects that will improve our infrastructure and recreational amenities so as to maintain the exceptional quality of life enjoyed by our residents while working to maintain that “small town” feel which makes Jupiter such a unique and desirable community.

The following initiatives, some new and some on-going, are briefly outlined to illustrate the commitment by the Town and the challenges it faces in meeting current and future service delivery expectations.

- **Street Resurfacing** – The Town has over 116 miles of neighborhood streets and roads that fall within its jurisdiction of responsibility for repair and maintenance. In order for the Town to remain a desirable place to live, it will be investing through its neighborhood repaving program approximately \$4.4 million over the next five years.
- **Neighborhood Improvement Program** - The Neighborhood Improvement Program is designed to address the aesthetics and exterior appearance of homes in neighborhoods as well as the upkeep of common, highly visible areas which is directly related to the desirability and market value of Jupiter neighborhoods.
- **Indiantown Rd Western Corridor Improvements** - This project will provide safety and congestion improvements by providing additional lanes for traffic on eastbound and westbound Indiantown road from Central Boulevard through the southbound I-95 off ramp. This project is being funded with a blend of FDOT, road impact fees and general revenues.
- **New Police Department/Data Center** – This Council priority is to replace the police station and assure continuity of operations during storm events for the Town’s information technology needs with the a new hardened data center and the incorporation of a new emergency operations center. This project has entered the design stage and will be constructed over the next few years adjacent to Town Hall. The project is currently estimated to cost approximately \$20 million and is to be funded through a blend of infrastructure sales tax funds, sales tax debt service and enterprise fund contributions.
- **Indiantown Road East of US1** – This project is to make road improvements to Indiantown Rd from US1 to the beach road. This area is a gateway to the beaches and the CRA’s Inlet Village. The improvements will consist of lower road speeds, bike and pedestrian facilities including crosswalks, signage, lighting, median landscaping/irrigation and street trees as appropriate. Funding for this \$4.6 million project will come from infrastructure surtax, CRA funds and FDOT grant funds.
- **Water Utilities** - The Utilities department will continue their work on expanding the water distribution systems to provide potable drinking water to neighborhoods within the Town’s service delivery area that have yet to obtain services.
- **Economic Development** - With The Scripps Research Institute and the Max Planck Florida Institute for Neuroscience located in Jupiter, the Town, in cooperation with the State of Florida, Palm Beach County and neighboring municipalities, is actively promoting economic development of the bio-science industry in northern Palm Beach County to promote job creation, diversification of the local economy and an increased tax base.

Infrastructure Sales Surtax

On November 8, 2016 the voters of Palm Beach County approved a referendum to levy a one-cent sales tax to assist in funding infrastructure improvements for the Palm Beach County School District, Palm Beach County and the Municipalities.

The intent of the funds collected from the surtax is to promote safe, efficient, and essential public services provided by the County, the Municipalities, and the School Board, including but not limited to safe and efficient transportation infrastructure, public safety, parks and recreational facilities, governmental facilities, better water quality through improved stormwater management, and quality public education.

The funds are paid by the State Department of Revenue monthly starting this past January 2017. Over the life of the adopted 10 year referendum, the collections are estimated to be approximately \$40,000,000

Workforce Housing Initiative

In 2015 the Town adopted land development regulations that supported the Comprehensive Plan (which was previously adopted in 2008) to create a workforce housing program and a workforce housing trust fund. The program is intended to address the need for owner-occupied and rental workforce housing as identified in the Housing Element of the Comprehensive Plan. The workforce housing program is designed to provide housing throughout the Town and future annexation areas that is available to low, moderate-low, moderate-high and middle income households.

The intent of the workforce housing program is to provide for the creation of a variety of housing options for the existing and anticipated workforce in necessary occupational fields such as, but not limited to, education, government, health care and retail services. The workforce housing program also provides access to funds from a housing trust fund, or other housing funds so that lower income residents and those residents who are no longer in the workforce, or living on fixed incomes, can remain in the Town.

In FY2017 the initial funding of the Workforce Housing Trust came from accumulated non-residential development linkage fees and in-lieu payments from developers and funds held in reserve by the Town for the purpose of workforce housing.

OTHER INFORMATION

Independent Audit: Florida Statutes Chapter 11.45 requires an annual financial and compliance audit by an independent certified public accountant. The auditor's report on the financial statements is included in the Financial Section of this report. The auditor's report related specifically to compliance with *Government Auditing Standards* is included in the Compliance Reports Section.

Awards: The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2017, the twenty-ninth consecutive year the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments: The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated services of the entire staff of the finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

We believe this report reflects the continued excellent financial position of the Town of Jupiter. We would like to thank the Mayor, the Town Council and the residents of the Town for your interest and support toward the planning and administration of the financial operations of the Town in a responsible and progressive manner. With this support, we have been able to maintain a high degree of fiscal health and responsibility for the Town of Jupiter.

Respectfully Submitted,



Matt Benoit
Town Manager



Michael Vilella, C.P.A.
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Jupiter
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

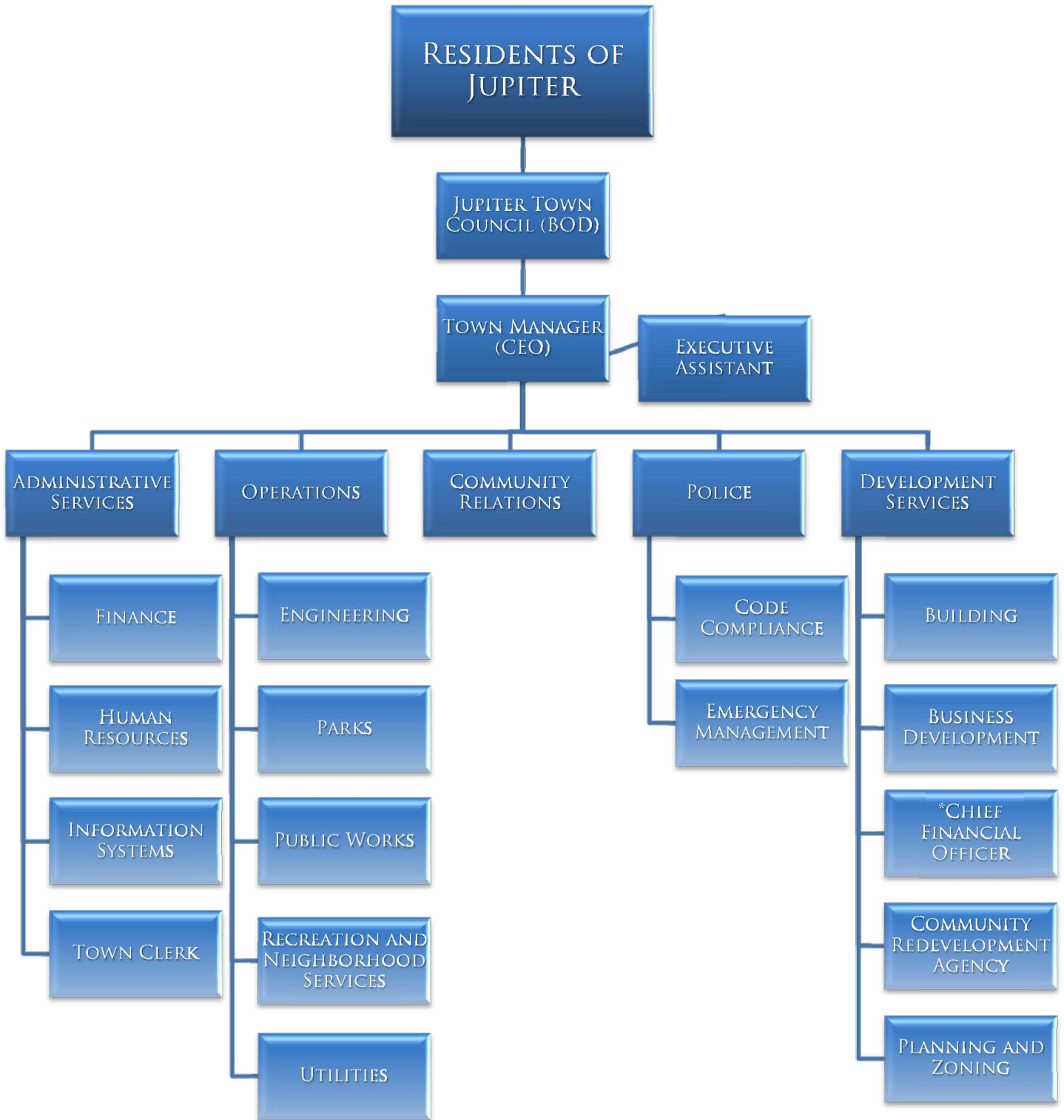
Christopher P. Morill

Executive Director/CEO

**TOWN OF JUPITER
LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2018**

Mayor	Todd R. Wodraska
Vice-mayor	Ron Delaney
Councilor	Ilan G. Kaufer
Councilor	Jim Kuretski
Councilor	Wayne R. Posner
Town Manager	Matt Benoit
Town Attorney	Thomas J. Baird
Town Clerk	Sally M. Boylan
Finance Director	Michael Villella, C.P.A.
Community Relations Director	Kate Moretto
Chief of Police	Daniel J. Kerr
Utilities Director	David L. Brown
Engineering, Parks and Public Works Director	Thomas V. Driscoll
Planning and Zoning Director	John R. Sickler, Jr.
Information Systems Director	Karl Craig
Building Department Director	Roger D. Held
Recreation Director	Kristin Fitzgerald George
Human Resources Director	Nikki Carpenito

TOWN OF JUPITER ORGANIZATIONAL CHART



* This position is held by the Director of Finance

FINANCIAL SECTION



CALER, DONTEN, LEVINE, COHEN, PORTER & VEIL, P.A.

WILLIAM K CALER, JR., CPA
LAURA E CLARK, CPA
LOUIS M COHEN, CPA
JOHN C COURTNEY, CPA, JD
DAVID S DONTEN, CPA
JAMES B HUTCHISON, CPA
JOEL H LEVINE, CPA
JAMES F MULLEN, IV, CPA
MICHAEL J NALEZYTY, CPA
THOMAS A PENCE, JR., CPA
SCOTT L PORTER, CPA
MARK D VEIL, CPA

CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Honorable Mayor and
Members of the Town Council
Town of Jupiter, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Jupiter, Florida, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Municipal Police Officers' Retirement Trust Fund, the fiduciary fund of the Town, which represents 83%, 83% and 42%, respectively, of the assets, net position/fund balances and revenues/additions of the aggregate remaining fund information of the Town. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Municipal Police Officers' Retirement Trust Fund, is based solely on the report of the other auditor. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of

the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Jupiter, Florida, as of September 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Accounting Change

As discussed in Note A to the financial statements, the Town adopted the recognition and disclosure requirements of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended September 30, 2018. The respective net position of the governmental activities, business-type activities and enterprise funds at October 1, 2017, has been restated for this change in accounting. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis on pages 4 through 11, the budgetary comparison schedules on pages 70 to 75, the pension information on pages 76 to 86 and the other postemployment benefits information on page 87 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditor have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, the combining fund financial statements and individual fund budgetary comparison schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining fund financial statements, individual fund budgetary comparison schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the combining fund financial statements, individual fund budgetary comparison schedules and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2019, on our consideration of the internal control over financial reporting of the Town of Jupiter, Florida, and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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'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 the Town's internal control over financial reporting and compliance.

*Calvin Dauter, Lewine,
Cohen, Porter & Veil, P.A.*

West Palm Beach, Florida
February 25, 2019

Management's Discussion and Analysis

Acting in our capacity as the management of the Town of Jupiter, Florida, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Jupiter, Florida, for the fiscal year ended September 30, 2018.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$437,208,422 (*total net position*). Of this amount, \$121,657,409 (*unrestricted net position*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's operations increased net position by \$23,995,600. Approximately 51% of this increase is attributable to governmental activities and 49% is attributable to business-type activities.
- As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$67,014,235, an increase of \$9,299,862 from the prior year fund balance. Approximately 43% of the total fund balance amount is *available for spending* at the Town's discretion (*unassigned fund balance*).
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$33,412,574, or 69% of total General Fund expenditures for the current fiscal year.
- The Town's total debt, excluding the tax increment incentive, compensated absences, other postemployment benefits and pension liabilities, decreased by approximately \$5,388,000 (14%) during the current fiscal year. The decrease was attributable to scheduled principal payments on the debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements of the Town comprise 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's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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* 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 flow*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, engineering and public works, and culture and recreation. The business-type activities of the Town include the Water System, Stormwater Utility and Building Department.

The Jupiter Community Redevelopment Agency, although a legally separate entity, functions for all practical purposes as a department of the Town, and therefore has been included as an integral part of the primary government (*a blended component unit*). The government-wide financial statements can be found on pages 12-14 of this report.

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

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

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

The Town maintains thirteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenue, expenditures, and changes in fund balances for the General Fund, Community Redevelopment Fund and Capital Improvements Fund, which are considered to be major funds. Aggregated data from the remaining nonmajor governmental funds is also presented. The basic governmental funds financial statements can be found on pages 15-18 of this report.

Enterprise funds. The *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses three enterprise funds to account for the separate operations of its Water System, Stormwater Utility and Building Fund. The basic enterprise fund financial statements can be found on pages 19-23 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for the enterprise funds. The Town's only fiduciary fund is the Municipal Police Officers' Retirement Trust Fund (MPORT), which is used to account for the assets held in a trustee capacity for the retirement pensions of the Town's police officers. The basic fiduciary fund financial statements can be found on pages 24-25 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-69 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. The Town adopts an annual appropriated budget for the General Fund and Community Redevelopment Fund. Budgetary comparison schedules and accompanying notes for both funds are included as *required supplementary information* on pages 70-75 to demonstrate compliance with the adopted budget. The Town also presents required supplementary information related to its defined benefit retirement plans and other postemployment benefits (OPEB) plan on pages 76-87.

The Town also adopts an annual budget for the Capital Improvements Fund and debt service funds. Budgetary comparison schedules for these funds are included as supplementary information with the combining fund financial statements. The combining fund financial statements and individual fund budgetary comparison schedules are presented immediately following the required supplementary information on pages 88-94.

Government-wide Financial Analysis

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows exceeded liabilities and deferred inflows by \$437,208,422 at the close of the most recent fiscal year. The Town's net position at September 30, 2018 and 2017 is summarized as follows:

Net Position						
(Amounts in Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets						
Current and other assets	\$ 76,322	\$ 67,142	\$ 109,095	\$ 100,769	\$ 185,417	\$ 167,911
Capital assets	<u>109,454</u>	<u>108,186</u>	<u>217,641</u>	<u>217,435</u>	<u>327,095</u>	<u>325,621</u>
Total assets	<u>185,776</u>	<u>175,328</u>	<u>326,736</u>	<u>318,204</u>	<u>512,512</u>	<u>493,532</u>
Deferred Outflows of Resources						
	<u>7,571</u>	<u>8,548</u>	<u>2,986</u>	<u>3,182</u>	<u>10,557</u>	<u>11,730</u>
Liabilities						
Long-term liabilities outstanding	38,843	39,372	28,862	31,271	67,705	70,643
Other liabilities	<u>8,716</u>	<u>9,056</u>	<u>4,840</u>	<u>6,019</u>	<u>13,556</u>	<u>15,075</u>
Total liabilities	<u>47,559</u>	<u>48,428</u>	<u>33,702</u>	<u>37,290</u>	<u>81,261</u>	<u>85,718</u>
Deferred Inflows of Resources						
	<u>3,935</u>	<u>3,279</u>	<u>665</u>	<u>352</u>	<u>4,600</u>	<u>3,631</u>
Net Position						
Net investment in capital assets	98,252	94,709	197,011	194,047	295,263	288,756
Restricted	16,121	11,096	4,167	6,894	20,288	17,990
Unrestricted	<u>27,480</u>	<u>26,364</u>	<u>94,177</u>	<u>82,803</u>	<u>121,657</u>	<u>109,167</u>
Total net position	<u>\$ 141,853</u>	<u>\$ 132,169</u>	<u>\$ 295,355</u>	<u>\$ 283,744</u>	<u>\$ 437,208</u>	<u>\$ 415,913</u>

The largest portion of the Town's net position (68%) reflects its investment in capital assets (e.g., land, buildings, improvements, machinery and equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position (5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$121.7 million) may be used to meet the Town's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Changes in Net Position. The Town's net position increased by approximately \$24.0 million during 2018. Approximately 68% of this increase represents the degree to which increases in ongoing revenues have outpaced similar increases in ongoing expenses. The remainder is attributable to capital contributions, utility connection charges and repair and replacement fund deposits from developers.

The changes in the Town's net position for the years ended September 30, 2018 and 2017 are summarized as follows:

	Changes in Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues						
Charges for services	\$ 9,214	\$ 8,736	\$ 34,629	\$ 33,221	\$ 43,843	\$ 41,957
Operating contributions and grants	2,251	1,960	247	435	2,498	2,395
Capital contributions and grants	3,386	1,191	4,344	2,695	7,730	3,886
General revenues						
Property taxes	27,999	26,376	-	-	27,999	26,376
Other taxes	22,988	20,315	-	-	22,988	20,315
Intergovernmental not restricted to specific programs	1,964	1,862	-	-	1,964	1,862
Investment earnings and other income	<u>1,029</u>	<u>853</u>	<u>969</u>	<u>498</u>	<u>1,998</u>	<u>1,351</u>
Total revenues	<u>68,831</u>	<u>61,293</u>	<u>40,189</u>	<u>36,849</u>	<u>109,020</u>	<u>98,142</u>
Expenses						
General governmental	19,391	19,565	-	-	19,391	19,565
Public safety	23,181	22,658	-	-	23,181	22,658
Engineering and public works	9,478	9,117	-	-	9,478	9,117
Culture and recreation	4,042	4,257	-	-	4,042	4,257
Interest on debt	762	861	-	-	762	861
Water System	-	-	22,049	21,635	22,049	21,635
Stormwater	-	-	2,371	2,399	2,371	2,399
Building	-	-	3,751	3,459	3,751	3,459
Total expenses	<u>56,854</u>	<u>56,458</u>	<u>28,171</u>	<u>27,493</u>	<u>85,025</u>	<u>83,951</u>
Increase in net position before transfers	11,977	4,835	12,018	9,356	23,995	14,191
Transfers	<u>157</u>	<u>-</u>	<u>(157)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase in net position	12,134	4,835	11,861	9,356	23,995	14,191
Net position - beginning	132,169	127,334	283,744	274,388	415,913	401,722
Restatement for implementation of GASB Statements	<u>(2,450)</u>	<u>-</u>	<u>(250)</u>	<u>-</u>	<u>(2,700)</u>	<u>-</u>
Net position - beginning, as restated	<u>129,719</u>	<u>127,334</u>	<u>283,494</u>	<u>274,388</u>	<u>413,213</u>	<u>401,722</u>
Net position - end of year	<u>\$ 141,853</u>	<u>\$ 132,169</u>	<u>\$ 295,355</u>	<u>\$ 283,744</u>	<u>\$ 437,208</u>	<u>\$ 415,913</u>

Governmental activities. Governmental activities increased the Town’s net position by \$9,684,558 (net of the OPEB restatement), thereby accounting for 45% of the total growth in the net position of the Town. Revenues were approximately \$7,538,000 more than the prior year. The key elements of this increase were due to 1) a \$1,623,000 increase in property taxes due to increased property valuations and new construction activity; 2) an increase of \$2,673,000 in other taxes due primarily to the new local infrastructure sales surtax; 3) an increase of \$478,000 in charges for services; and 4) an increase of \$2,486,000 in revenue from operating and capital grants and contributions.

Business-type activities. Business-type activities increased the Town’s net position by \$11,610,762 (net of the OPEB restatement), thereby accounting for 55% of the total growth in the government’s net position. Key elements of this change were as follows:

- The Water System change in net position was approximately \$1,062,000 lower than the prior year due to a \$521,000 decrease in operating income, a decrease in nonoperating revenues of approximately \$149,000, a decrease of \$227,000 in capital contributions and transfers and a one-time expense for OPEB of \$165,000.
- The Stormwater Utility change in net position was approximately \$2,428,000 higher than the prior year due primarily to an increase in operating income of \$354,000, an increase in nonoperating revenues of approximately \$197,000, an increase of \$1,919,000 in capital contributions and transfers and a one-time expense for OPEB of \$42,000.
- The Building department change in net position was approximately \$889,000 higher than the prior year due to an increase in operating income of approximately \$995,000 related to permit fees collected for projects now under construction, an increase in nonoperating revenues of approximately \$136,000, an increase of \$199,000 in transfers out and a one-time expense for OPEB of \$43,000.

Financial Analysis of the Government’s Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The significant financial activities of the Town’s funds are described below.

Governmental funds. The focus of the Town’s *governmental funds* 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 the end of the current fiscal year, the Town’s governmental funds reported combined ending fund balance of \$67,014,235, an increase of \$9,299,862 from the prior year. Approximately 43% of the total fund balance at September 30, 2018 (\$28,692,288) constitutes *unassigned fund balance*, which is available for spending at the Town’s discretion. The remainder of the fund balance is not available for new spending and is broken down into the following categories:

Nonspendable	\$ 5,164,120	8%
Restricted	16,621,515	25%
Assigned	16,536,312	24%

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$33,412,574, while total fund balance was \$40,316,665. 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 General Fund expenditures. Unassigned fund balance represents 69% of total General Fund expenditures for 2018, while total fund balance represents 83% of that same amount. The fund balance of the Town’s General Fund increased by \$2,177,007 during the current fiscal year as compared to a decrease of \$1,595,545 for the prior year. The key factors contributing to the change were an: increase in taxes of \$1,488,000, increase in franchise fees of \$225,000, increase in intergovernmental revenues of \$274,000, increase in charges for services of \$482,000, and increase in the remaining revenue categories totaling \$199,000. These increases were offset by increases in expenditures related to general government (\$95,000), public safety (\$1,105,000), engineering and public works (\$544,000) and culture and recreation (\$164,000) and a decrease in capital outlay (\$2,475,000).

The Community Redevelopment Fund (CRA) had a fund balance deficit of \$4,720,286, substantially all of which is attributable to a liability to the General Fund for advances to fund various construction projects and land acquisitions by the CRA. The General Fund advances will be repaid from future tax increment funds received by the CRA as commercial and redevelopment projects increase taxable property values in the CRA district. The CRA had a decrease in the fund balance deficit during 2018 of \$1,043,517 as compared to \$390,857 for the prior year. The key factors contributing to the change were a small increase in tax increment revenues (\$87,000), a small decrease in general government expenditures (\$153,000) and an increase in net transfers in (\$338,000).

The Capital Improvements Fund has a total fund balance of \$16,307,489 which is intended for the Town's current and future capital projects. The net increase in fund balance during the current year in the Capital Improvements Fund was \$502,433 as compared to \$145,782 for the prior year. The key factors contributing to the increase were decreases in general government and capital outlay expenditures

Enterprise funds. The Town's enterprise fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water System Fund, Stormwater Fund and Building Fund at the end of the year amounted to \$69,142,988; \$6,627,523; and, \$18,406,358; respectively. The total growth in net position of the Water System Fund, Stormwater Fund and Building Fund was \$7,157,417; \$2,930,859; and, \$1,522,486; respectively, net of the one-time OPEB expense related to the adoption of GASB Statement No. 75. Other factors concerning the finances have already been addressed in the discussion of the Town's business-type activities.

Budgetary Highlights

General Fund. Differences between the original budget and the final amended budget resulted in a net increase of approximately \$1,926,000 in appropriations for 2018 and were generally attributable to the re-appropriation of open contracts from the previous fiscal year and appropriated revenues received but not originally budgeted. The increases in appropriations are summarized as follows:

- Approximately \$229,000 was approved for body worn cameras from federal forfeiture funds.
- \$568,000 was appropriated for hurricane related debris costs.
- \$180,000 was appropriated for FEC railroad crossing maintenance costs.
- \$203,000 in additional solid waste fees were appropriated at year-end

During the year, actual revenues were approximately \$1,486,000 more than budgetary estimates due primarily to increased collections for ad-valorem taxes (\$235,000), licenses and permits (\$187,000), state shared revenues (\$361,000), charges for services (\$308,000), fines and forfeitures (\$128,000), investment earnings (\$126,000) and miscellaneous (\$260,000), which were offset by lower than budgeted collections from franchise fees (\$119,000). Actual expenditures and other financing uses were under budget by approximately \$2,781,000 due to savings in various departments as follows: general government (\$1,626,000), public safety (\$303,000), engineering and public works (\$585,000) and culture and recreation (\$267,000).

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2018, amounts to \$327,095,076 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, park facilities, easements, roads, highways and bridges, water plant facilities, water meters and transmission lines. The total increase in the Town's investment in capital assets for the current fiscal year was approximately \$1,475,000 or 0.4% (89% of which came from governmental activities).

The Town's capital assets at September 30, 2018 and 2017 are summarized as follows:

Capital Assets

(Amounts in Thousands, net of depreciation)

	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Land	\$ 45,054	\$ 44,778	\$ 569	\$ 569	\$ 45,623	\$ 45,347
Construction in progress	-	-	3,116	2,919	3,116	2,919
Buildings	6,699	7,205	67,603	70,344	74,302	77,549
Improvements	28,692	28,826	136,928	133,871	165,620	162,697
Machinery and Equipment	3,241	2,926	9,425	9,732	12,666	12,658
Infrastructure	<u>25,768</u>	<u>24,451</u>	-	-	<u>25,768</u>	<u>24,451</u>
Total assets	<u>\$ 109,454</u>	<u>\$ 108,186</u>	<u>\$ 217,641</u>	<u>\$ 217,435</u>	<u>\$ 327,095</u>	<u>\$ 325,621</u>

Major capital asset events during the current fiscal year included the following:

- A variety of roadway and landscape improvements throughout the Town.
- Improvements to various Town parks.
- Improvements to the water distribution system in targeted neighborhoods.
- Improvements to the water transmission systems.
- A continuing well rehabilitation program in the water utility.
- Continuation of an ongoing swale rehabilitation program to improve the quality of stormwater runoff.
- On-going investment in the police vehicle replacement program.
- A continuing reinvestment in the Town's sidewalk infrastructure.

Additional information on the Town's capital assets can be found in Note F on pages 43-45 of this report.

Outstanding debt. At the end of the current fiscal year, the Town had total bonded debt and loans outstanding of approximately \$32,636,000. Of this amount, \$9,815,000 is general obligation bonded debt and \$1,936,141 is revenue bonded debt for which the Town has pledged sales taxes. The remainder of the Town's debt of \$20,885,000 represents bonds and loans secured solely by the net revenues of the Enterprise Funds. The Town's total debt decreased by approximately \$5,388,000 or 14% during the current fiscal year, due to the retirement of maturing debt. The Town's outstanding debt at September 30, 2018 and 2017 is summarized as follows:

Outstanding Debt

General Obligation and Revenue Bonds / Note
(Amounts in Thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 9,815	\$ 11,445	\$ -	\$ -	\$ 9,815	\$ 11,445
Sales tax revenue bonds	1,936	2,869	-	-	1,936	2,869
Water System revenue bonds/note	<u>-</u>	<u>-</u>	<u>20,885</u>	<u>23,710</u>	<u>20,885</u>	<u>23,710</u>
Total debt	<u>\$ 11,751</u>	<u>\$ 14,314</u>	<u>\$ 20,885</u>	<u>\$ 23,710</u>	<u>\$ 32,636</u>	<u>\$ 38,024</u>

The Town and its Water System both have a "AAA" rating from Standard & Poor's and Fitch and a "Aaa" rating from Moody's on their outstanding bonded debt. Town ordinances limit the amount of general obligation debt the Town may issue to 15% of the total assessed valuations of property located in the Town. The current debt

limitation for the Town is approximately \$1.87 billion, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note G on pages 45-50 of this report.

Economic Factors and Next Year's Budgets and Rates

The Town's 2019 General Fund budget is approximately \$52,807,000, or an increase of approximately \$2,884,000 over the original budget adopted for 2018. During the current fiscal year, unassigned fund balance in the General Fund increased by \$3,735,772 to \$33,412,574. The following factors were considered in preparing the Town's budget for the 2019 fiscal year.

- Increases in property values and the overall stable market will continue to have a positive impact on ad-valorem tax revenues.
- Sales tax revenues and franchise fees will continue to strengthen and are expected to continue a consistent pattern of growth in the near future.
- Increased funding used for investment in personnel and infrastructure that supports the communities growth.

Water System revenues are expected to remain stable and increase slightly depending upon weather conditions in the coming year.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director at 210 Military Trail, Jupiter, Florida 33458.

BASIC FINANCIAL STATEMENTS

TOWN OF JUPITER, FLORIDA

STATEMENT OF NET POSITION

September 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 26,506,535	\$ 44,515,920	\$ 71,022,455
Investments	46,338,998	54,025,205	100,364,203
Accounts receivable, net	1,515,266	1,449,148	2,964,414
Grants receivable	54,607	125,500	180,107
Interest receivable	118,057	66,444	184,501
Inventory	29,760	577,610	607,370
Prepaid expenses	13,991	28,897	42,888
Restricted assets			
Restricted cash and cash equivalents	-	1,177,072	1,177,072
Restricted investments	1,540,346	3,067,756	4,608,102
Notes receivable	204,460	-	204,460
Noncurrent receivables	-	4,061,066	4,061,066
Capital assets, not being depreciated			
Land	45,053,753	569,123	45,622,876
Construction in progress	-	3,115,858	3,115,858
Capital assets, net of accumulated depreciation			
Buildings and plant	6,698,739	67,602,997	74,301,736
Improvements	28,692,184	136,928,407	165,620,591
Machinery and equipment	3,241,255	9,424,673	12,665,928
Infrastructure	25,768,087	-	25,768,087
Total Assets	<u>185,776,038</u>	<u>326,735,676</u>	<u>512,511,714</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refundings	-	254,598	254,598
Deferred amount related to pensions	7,570,685	2,732,134	10,302,819
Total Deferred Outflows of Resources	<u>7,570,685</u>	<u>2,986,732</u>	<u>10,557,417</u>
LIABILITIES			
Accounts payable	1,890,313	1,309,837	3,200,150
Accrued expenses	1,220,690	268,108	1,488,798
Deposits	5,288,496	1,627,163	6,915,659
Unearned revenue	316,087	1,557,798	1,873,885
Liabilities payable from restricted assets	-	77,186	77,186
Noncurrent liabilities			
Due within one year			
Compensated absences	200,000	99,000	299,000
Bonds and notes	2,666,210	-	2,666,210
Due in more than one year			
Tax increment incentive	704,510	-	704,510
Compensated absences	3,287,047	880,995	4,168,042
Bonds and notes	9,036,608	20,885,000	29,921,608
Other postemployment benefits obligation	2,755,592	344,693	3,100,285
Net pension liability	20,193,147	6,652,771	26,845,918
Total Liabilities	<u>47,558,700</u>	<u>33,702,551</u>	<u>81,261,251</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amount related to other postemployment benefits obligation	169,963	21,260	191,223
Deferred amount related to pensions	3,764,805	643,430	4,408,235
Total Deferred Inflows of Resources	<u>3,934,768</u>	<u>664,690</u>	<u>4,599,458</u>
NET POSITION			
Net investment in capital assets	98,251,923	197,010,656	295,262,579
Restricted for:			
Debt retirement	2,002,353	256,792	2,259,145
Capital projects	12,462,079	3,910,850	16,372,929
Law enforcement	616,737	-	616,737
Economic development	1,039,623	-	1,039,623
Unrestricted	27,480,540	94,176,869	121,657,409
Total Net Position	<u>\$ 141,853,255</u>	<u>\$ 295,355,167</u>	<u>\$ 437,208,422</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF JUPITER, FLORIDA

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
GOVERNMENTAL ACTIVITIES				
General government	\$ 19,391,006	\$ 2,610,230	\$ 1,194,767	\$ 2,916,987
Public safety	23,181,411	541,365	818,723	23,783
Engineering and public works	9,478,260	4,796,872	233,032	313,648
Culture and recreation	4,041,480	1,265,177	4,943	132,179
Interest on long-term debt	761,846	-	-	-
Total Governmental Activities	56,854,003	9,213,644	2,251,465	3,386,597
BUSINESS-TYPE ACTIVITIES				
Water system	22,048,888	26,359,138	49,823	2,142,384
Stormwater	2,370,650	2,940,150	197,383	2,202,305
Building	3,751,616	5,329,430	-	-
Total Business-type Activities	28,171,154	34,628,718	247,206	4,344,689
Total	\$ 85,025,157	\$ 43,842,362	\$ 2,498,671	\$ 7,731,286

General revenues

Taxes

Property taxes

Franchise fees

Public service taxes

Communications services taxes

Sales taxes

Gas taxes

Intergovernmental not restricted to specific programs

Investment earnings

Gain on disposal of capital assets

Transfers

Total general revenues

Change in net position

Net position at beginning of year, as originally reported

Restatement for implementation of GASB Statement 75

Net position at beginning of year, as restated

Net position at end of year

Net Revenues (Expenses) and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (12,669,022)	\$ -	\$ (12,669,022)
(21,797,540)	-	(21,797,540)
(4,134,708)	-	(4,134,708)
(2,639,181)	-	(2,639,181)
<u>(761,846)</u>	<u>-</u>	<u>(761,846)</u>
(42,002,297)	-	(42,002,297)
-	6,502,457	6,502,457
-	2,969,188	2,969,188
-	<u>1,577,814</u>	<u>1,577,814</u>
<u>-</u>	<u>11,049,459</u>	<u>11,049,459</u>
(42,002,297)	11,049,459	(30,952,838)
27,999,283	-	27,999,283
4,780,075	-	4,780,075
4,963,194	-	4,963,194
2,627,795	-	2,627,795
9,231,139	-	9,231,139
1,385,729	-	1,385,729
1,963,607	-	1,963,607
1,028,793	964,703	1,993,496
-	4,120	4,120
157,168	<u>(157,168)</u>	<u>-</u>
<u>54,136,783</u>	<u>811,655</u>	<u>54,948,438</u>
12,134,486	11,861,114	23,995,600
132,168,697	283,744,405	415,913,102
<u>(2,449,928)</u>	<u>(250,352)</u>	<u>(2,700,280)</u>
<u>129,718,769</u>	<u>283,494,053</u>	<u>413,212,822</u>
<u>\$ 141,853,255</u>	<u>\$ 295,355,167</u>	<u>\$ 437,208,422</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF JUPITER, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2018

	Major Governmental Funds				
	General Fund	Community Redevelopment Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 8,155,219	\$ 2,552,616	\$ 1,636,814	\$ 14,161,886	\$ 26,506,535
Investments	28,279,036	-	17,098,841	961,121	46,338,998
Accounts receivable, net	1,515,266	-	-	-	1,515,266
Grants receivable	46,157	-	8,450	-	54,607
Interest receivable	115,224	-	2,833	-	118,057
Due from other funds	5,009,196	75,000	1,491,440	-	6,575,636
Inventory	29,760	-	-	-	29,760
Prepaid items	13,991	-	-	-	13,991
Restricted investments	1,039,623	-	500,723	-	1,540,346
Notes receivable	111,173	93,287	-	-	204,460
Total Assets	<u>\$ 44,314,645</u>	<u>\$ 2,720,903</u>	<u>\$ 20,739,101</u>	<u>\$ 15,123,007</u>	<u>\$ 82,897,656</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,430,904	\$ 22,518	\$ 424,251	\$ 12,640	\$ 1,890,313
Accrued liabilities	1,108,379	704,510	-	-	1,812,889
Due to other funds	75,000	6,500,636	-	-	6,575,636
Deposits	1,160,897	120,238	4,007,361	-	5,288,496
Total Liabilities	<u>3,775,180</u>	<u>7,347,902</u>	<u>4,431,612</u>	<u>12,640</u>	<u>15,567,334</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	<u>222,800</u>	<u>93,287</u>	<u>-</u>	<u>-</u>	<u>316,087</u>
FUND BALANCES (DEFICIT)					
Nonspendable:					
Inventory	29,760	-	-	-	29,760
Prepaid items	13,991	-	-	-	13,991
Advance due from other fund	5,009,196	-	-	-	5,009,196
Notes receivable	111,173	-	-	-	111,173
Restricted for:					
Debt service	-	-	-	2,002,353	2,002,353
Capital projects	-	-	-	12,962,802	12,962,802
Law enforcement	471,525	-	-	145,212	616,737
Economic development	1,039,623	-	-	-	1,039,623
Assigned to:					
Capital projects	-	-	16,307,489	-	16,307,489
Subsequent year's budget	228,823	-	-	-	228,823
Unassigned:					
General Fund	33,412,574	-	-	-	33,412,574
Special Revenue Fund deficit	-	(4,720,286)	-	-	(4,720,286)
Total Fund Balances (Deficit)	<u>40,316,665</u>	<u>(4,720,286)</u>	<u>16,307,489</u>	<u>15,110,367</u>	<u>67,014,235</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	<u>\$ 44,314,645</u>	<u>\$ 2,720,903</u>	<u>\$ 20,739,101</u>	<u>\$ 15,123,007</u>	<u>\$ 82,897,656</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF JUPITER, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

September 30, 2018

Total governmental fund balances		\$ 67,014,235
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 funds.		109,454,018
Discounts on the issuance of long-term debt are reported as "Other Financing Sources and Uses" in the governmental funds. Discounts are deferred and amortized over the life of the debt in the government-wide statements.		48,323
Accrued interest on bonds payable is not due and payable in the current period and, therefore, is not reported in the funds.		(112,311)
Deferred outflows/inflows of resources related to pensions for defined benefit pension plans and other postemployment benefits are reported in the statement of net position but are not reported in the governmental funds.		
Deferred outflows related to pensions	7,570,685	
Deferred inflows related to other postemployment benefits obligation	(169,963)	
Deferred inflows related to pensions	<u>(3,764,805)</u>	
		3,635,917
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences	(3,487,047)	
Bonds and note payable	(11,751,141)	
Other postemployment benefits obligation	(2,755,592)	
Net pension liability	<u>(20,193,147)</u>	
		<u>(38,186,927)</u>
Total net position		<u>\$ 141,853,255</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF JUPITER, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended September 30, 2018

	Major Governmental Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Community Redevelopment Fund	Capital Improvements Fund		
REVENUES					
Taxes	\$ 29,850,650	\$ 1,273,965	\$ 3,678,872	\$ 2,172,514	\$ 36,976,001
Franchise fees	4,780,075	-	-	-	4,780,075
Licenses and permits	797,535	-	-	383,397	1,180,932
Intergovernmental	3,012,564	-	64,756	9,231,694	12,309,014
Charges for services	8,006,956	91,536	-	-	8,098,492
Fines and forfeitures	317,617	-	-	-	317,617
Investment earnings	685,407	9,664	315,468	18,254	1,028,793
Donations	23,106	-	84,908	-	108,014
Miscellaneous	458,952	21,250	129,538	569,662	1,179,402
Total Revenues	<u>47,932,862</u>	<u>1,396,415</u>	<u>4,273,542</u>	<u>12,375,521</u>	<u>65,978,340</u>
EXPENDITURES					
Current					
General government	15,853,527	777,896	289,824	2,000	16,923,247
Public safety	22,207,682	-	-	70,514	22,278,196
Engineering and public works	7,391,767	-	979,778	-	8,371,545
Culture and recreation	2,506,076	-	511,839	-	3,017,915
Capital outlay	684,408	29,581	2,166,263	71,835	2,952,087
Debt service					
Principal	-	-	-	2,562,727	2,562,727
Interest	-	202,707	-	572,113	774,820
Total Expenditures	<u>48,643,460</u>	<u>1,010,184</u>	<u>3,947,704</u>	<u>3,279,189</u>	<u>56,880,537</u>
Revenues Over (Under) Expenditures	(710,598)	386,231	325,838	9,096,332	9,097,803
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	44,891	-	-	-	44,891
Transfers in	3,500,000	657,286	218,365	-	4,375,651
Transfers out	(657,286)	-	(41,770)	(3,519,427)	(4,218,483)
Total Other Financing Sources (Uses)	<u>2,887,605</u>	<u>657,286</u>	<u>176,595</u>	<u>(3,519,427)</u>	<u>202,059</u>
Net Change in Fund Balances	2,177,007	1,043,517	502,433	5,576,905	9,299,862
Fund balances (deficit) at beginning of year	<u>38,139,658</u>	<u>(5,763,803)</u>	<u>15,805,056</u>	<u>9,533,462</u>	<u>57,714,373</u>
Fund balances (deficit) at end of year	<u>\$ 40,316,665</u>	<u>\$ (4,720,286)</u>	<u>\$ 16,307,489</u>	<u>\$ 15,110,367</u>	<u>\$ 67,014,235</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF JUPITER, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2018

Net change in fund balance - total governmental funds	\$ 9,299,862
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 costs of those assets is allocated over their estimated useful lives as depreciation expense. Capital outlays and depreciation expense were as follows in the current period.	
Capital outlay	2,952,087
Depreciation expense	(4,517,607)
Some revenues reported in the statement of activities do not generate current financial resources and are therefore not reported as revenue by the funds.	
Developer contributions of capital assets	2,852,981
In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds the proceeds from the sale increase financial resources. The change in net position differs from the change in fund balances by the net book value of the assets disposed.	
	(19,315)
Payment of accrued interest is an expenditure in the Governmental funds, but is a reduction of accrued liabilities in the statement of net position.	
	20,134
The repayment of long-term debt consumes the current financial resources of governmental funds. However, these transactions do not have any effect on net position of the governmental activities. Governmental funds report the effect of debt discount when debt is issued, whereas these amounts are deferred and amortized in the statement of activities.	
Debt retirement - principal paid	2,562,727
Amortization of debt discount	(7,160)
Some expenses reported in the statement of activities are not reported in the funds because they have no effect on current financial resources.	
Compensated absences	(90,764)
Other postemployment benefits obligation	(127,304)
Pension expense	(791,155)
Change in net position of governmental activities	<u>\$ 12,134,486</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF JUPITER, FLORIDA

STATEMENT OF NET POSITION - ENTERPRISE FUNDS

September 30, 2018

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 28,917,922	\$ 5,695,699	\$ 9,902,299	\$ 44,515,920
Investments	42,424,207	1,404,542	10,196,456	54,025,205
Accounts receivable, net	1,213,140	234,365	1,643	1,449,148
Grants receivable	-	125,500	-	125,500
Interest receivable	46,790	9,454	10,200	66,444
Inventory	577,610	-	-	577,610
Prepaid expenses	22,945	5,187	765	28,897
Restricted assets				
Cash and cash equivalents	1,177,072	-	-	1,177,072
Investments	3,067,756	-	-	3,067,756
Total Current Assets	<u>77,447,442</u>	<u>7,474,747</u>	<u>20,111,363</u>	<u>105,033,552</u>
NONCURRENT ASSETS				
Noncurrent receivables	4,061,066	-	-	4,061,066
Capital assets				
Land and improvements	458,616	110,507	-	569,123
Construction in progress	2,115,544	1,000,314	-	3,115,858
Water treatment systems	96,993,581	-	-	96,993,581
Buildings and improvements	8,308,397	55,570,452	-	63,878,849
Water distribution systems	143,679,550	-	-	143,679,550
Wells	28,629,103	-	-	28,629,103
Equipment and pumps	10,692,534	627,418	689,800	12,009,752
Meters	18,326,561	-	-	18,326,561
	309,203,886	57,308,691	689,800	367,202,377
Less accumulated depreciation	(131,821,332)	(17,240,169)	(499,818)	(149,561,319)
Total Capital Assets, net	<u>177,382,554</u>	<u>40,068,522</u>	<u>189,982</u>	<u>217,641,058</u>
Total Noncurrent Assets	<u>181,443,620</u>	<u>40,068,522</u>	<u>189,982</u>	<u>221,702,124</u>
Total Assets	<u>258,891,062</u>	<u>47,543,269</u>	<u>20,301,345</u>	<u>326,735,676</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refundings	254,598	-	-	254,598
Deferred amount related to pensions	1,789,965	191,894	750,275	2,732,134
Total Deferred Outflows of Resources	<u>2,044,563</u>	<u>191,894</u>	<u>750,275</u>	<u>2,986,732</u>

(Continued)

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 960,934	\$ 300,445	\$ 48,458	\$ 1,309,837
Accrued expenses	180,731	21,503	65,874	268,108
Compensated absences payable	63,889	13,140	21,971	99,000
	<u>1,205,554</u>	<u>335,088</u>	<u>136,303</u>	<u>1,676,945</u>
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS				
Accounts and contracts payable	77,186	-	-	77,186
Total Current Liabilities	<u>1,282,740</u>	<u>335,088</u>	<u>136,303</u>	<u>1,754,131</u>
NONCURRENT LIABILITIES				
Customer deposits	1,551,306	-	-	1,551,306
Other deposits	9,810	23,479	42,568	75,857
Unearned revenue	1,557,798	-	-	1,557,798
Compensated absences payable, net of current portion	568,540	116,933	195,522	880,995
Revenue bonds payable	20,885,000	-	-	20,885,000
Other postemployment benefits obligation	223,725	48,190	72,778	344,693
Net pension liability	4,358,580	467,264	1,826,927	6,652,771
Total Noncurrent Liabilities	<u>29,154,759</u>	<u>655,866</u>	<u>2,137,795</u>	<u>31,948,420</u>
Total Liabilities	<u>30,437,499</u>	<u>990,954</u>	<u>2,274,098</u>	<u>33,702,551</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred amount related to other postemployment benefits obligation	13,799	2,972	4,489	21,260
Deferred amount related to pensions	421,545	45,192	176,693	643,430
Total Deferred Inflows of Resources	<u>435,344</u>	<u>48,164</u>	<u>181,182</u>	<u>664,690</u>
NET POSITION				
Net investment in capital assets	156,752,152	40,068,522	189,982	197,010,656
Restricted				
Debt retirement	256,792	-	-	256,792
Capital projects	3,910,850	-	-	3,910,850
Unrestricted	69,142,988	6,627,523	18,406,358	94,176,869
Total Net Position	<u>\$ 230,062,782</u>	<u>\$ 46,696,045</u>	<u>\$ 18,596,340</u>	<u>\$ 295,355,167</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF JUPITER, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - ENTERPRISE FUNDS

For the Year Ended September 30, 2018

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
OPERATING REVENUES				
Charges for services	\$ 25,960,009	\$ 2,916,767	\$ -	\$ 28,876,776
Licenses and permits	-	-	5,328,329	5,328,329
Other fees and charges	393,763	23,383	1,101	418,247
Total Operating Revenues	<u>26,353,772</u>	<u>2,940,150</u>	<u>5,329,430</u>	<u>34,623,352</u>
OPERATING EXPENSES				
Personal services	6,143,134	805,103	2,504,649	9,452,886
General operating expenses	8,849,749	764,559	1,173,889	10,788,197
Depreciation	6,410,331	800,988	73,078	7,284,397
Total Operating Expenses	<u>21,403,214</u>	<u>2,370,650</u>	<u>3,751,616</u>	<u>27,525,480</u>
Operating Income	<u>4,950,558</u>	<u>569,500</u>	<u>1,577,814</u>	<u>7,097,872</u>
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental	49,823	197,383	-	247,206
Investment earnings	920,709	29,434	206,658	1,156,801
Miscellaneous revenues	5,366	-	-	5,366
Net change in fair value of investments	(151,572)	(18,158)	(22,368)	(192,098)
Gain (loss) on sale of capital assets	(2,023)	1,764	2,356	2,097
Interest expense	(575,428)	-	-	(575,428)
Amortization expense	(68,223)	-	-	(68,223)
Total Nonoperating Revenues (Expenses)	<u>178,652</u>	<u>210,423</u>	<u>186,646</u>	<u>575,721</u>
Income Before Capital Contributions	5,129,210	779,923	1,764,460	7,673,593
CAPITAL CONTRIBUTIONS	2,142,384	2,202,305	-	4,344,689
TRANSFERS	<u>51,250</u>	<u>(9,480)</u>	<u>(198,938)</u>	<u>(157,168)</u>
Change in Net Position	7,322,844	2,972,748	1,565,522	11,861,114
Net position at beginning of year, as originally reported	222,905,365	43,765,186	17,073,854	283,744,405
Restatement for implementation of GASB Statement 75	<u>(165,427)</u>	<u>(41,889)</u>	<u>(43,036)</u>	<u>(250,352)</u>
Net position at beginning of year, as restated	<u>222,739,938</u>	<u>43,723,297</u>	<u>17,030,818</u>	<u>283,494,053</u>
Net position at end of year	<u>\$ 230,062,782</u>	<u>\$ 46,696,045</u>	<u>\$ 18,596,340</u>	<u>\$ 295,355,167</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF JUPITER, FLORIDA

STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS

For the Year Ended September 30, 2018

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 26,353,595	\$ 2,847,302	\$ 5,358,703	\$ 34,559,600
Cash paid to suppliers and contractors	(9,304,398)	(570,241)	(1,174,162)	(11,048,801)
Cash paid to employees	(5,801,361)	(742,587)	(2,302,744)	(8,846,692)
Cash received from others	399,129	23,383	1,101	423,613
Net Cash Provided By Operating Activities	11,646,965	1,557,857	1,882,898	15,087,720
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants received	49,823	197,383	-	247,206
Transfers	51,250	(9,480)	(198,938)	(157,168)
Net Cash Provided By (Used In) Noncapital Financing Activities	101,073	187,903	(198,938)	90,038
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	1,258,065	-	-	1,258,065
Acquisition and construction of capital assets	(3,778,238)	(846,115)	(72,597)	(4,696,950)
Proceeds from disposal of capital assets	7,432	1,765	2,356	11,553
Principal paid on revenue bonds	(2,825,000)	-	-	(2,825,000)
Interest and other debt service charges	(575,428)	-	-	(575,428)
Net Cash Used In Capital and Related Financing Activities	(5,913,169)	(844,350)	(70,241)	(6,827,760)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	(18,015,199)	(7,593)	(1,181,549)	(19,204,341)
Interest received	921,132	29,494	206,775	1,157,401
Net Cash Provided by (Used In) Investing Activities	(17,094,067)	21,901	(974,774)	(18,046,940)
Net Increase (Decrease) in Cash and Cash Equivalents	(11,259,198)	923,311	638,945	(9,696,942)
Cash and cash equivalents at beginning of year	41,354,192	4,772,388	9,263,354	55,389,934
Cash and cash equivalents at end of year	<u>\$ 30,094,994</u>	<u>\$ 5,695,699</u>	<u>\$ 9,902,299</u>	<u>\$ 45,692,992</u>
Cash and Cash Equivalents Reconciliation				
Unrestricted	\$ 28,917,922	\$ 5,695,699	\$ 9,902,299	\$ 44,515,920
Restricted	1,177,072	-	-	1,177,072
Cash and cash equivalents at end of year	<u>\$ 30,094,994</u>	<u>\$ 5,695,699</u>	<u>\$ 9,902,299</u>	<u>\$ 45,692,992</u>

(Continued)

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
NONCASH FINANCING AND INVESTING ACTIVITIES				
Capital contributions	\$ 699,308	\$ 2,202,305	\$ -	\$ 2,901,613
Change in fair value of investments	\$ (151,572)	\$ (18,158)	\$ (22,368)	\$ (192,098)
Amortization of deferred charge on refunding	\$ 68,223	\$ -	\$ -	\$ 68,223
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	\$ 4,950,558	\$ 569,500	\$ 1,577,814	\$ 7,097,872
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	6,410,331	800,988	73,078	7,284,397
Provision for doubtful accounts	2,656	(2,167)	-	489
Miscellaneous revenues	5,366	-	-	5,366
Changes in operating assets and liabilities				
Accounts receivable	522,383	(67,298)	(1,643)	453,442
Inventory	180,607	-	-	180,607
Prepaid expenses	(1,803)	-	(515)	(2,318)
Deferred outflows related to pensions	97,234	17,142	12,832	127,208
Accounts payable	(633,453)	194,318	242	(438,893)
Accrued expenses	3,329	(5,202)	1,792	(81)
Compensated absences	(34,251)	35,999	5,982	7,730
Deposits	(124,201)	-	32,017	(92,184)
Unearned revenue	(7,252)	-	-	(7,252)
OPEB obligation	(3,463)	(746)	(1,127)	(5,336)
Net pension liability	75,844	(7,114)	95,162	163,892
Deferred inflows related to OPEB	13,799	2,972	4,489	21,260
Deferred inflows related to pensions	189,281	19,465	82,775	291,521
Net Cash Provided By Operating Activities	\$ 11,646,965	\$ 1,557,857	\$ 1,882,898	\$ 15,087,720

The notes to the financial statements are an integral part of this statement.

TOWN OF JUPITER, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION - PENSION TRUST FUND

September 30, 2018

	<u>Municipal Police Officers' Retirement Trust Fund</u>
ASSETS	
Investments	
Money market mutual funds	\$ 1,959,218
Certificates of deposit	1,034,230
U.S. Government securities	3,363,257
U.S. Government Agency securities	6,717,712
Corporate obligations	7,335,052
Asset-backed bonds	3,026,999
Foreign bonds	82,844
Equity securities	8,357,535
Preferred stock	350,313
Equity mutual funds	21,982,849
Real estate investment trust index funds	3,123,689
Commingled real estate funds	3,580,552
International equity mutual funds	13,595,872
Total Investments	<u>74,510,122</u>
Receivables	
Employee contributions	34,438
State contributions	743,715
Accrued investment income	160,972
Pending trades receivable	113,129
Other receivables	600
Total Receivables	<u>1,052,854</u>
	Total Assets 75,562,976
LIABILITIES	
Accounts payable and accrued expenses	36,645
Pending trades payable	169,324
	Total Liabilities <u>205,969</u>
NET POSITION	
Restricted for pension benefits	<u>\$ 75,357,007</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF JUPITER, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - PENSION TRUST FUND

For the Year Ended September 30, 2018

	Municipal Police Officers' Retirement Trust Fund
ADDITIONS	
Contributions	
Town	\$ 2,476,765
State	743,715
Employee	991,404
	<u>4,211,884</u>
Investment earnings	
Net appreciation in fair value of investments	3,078,574
Interest and dividends	2,098,149
	<u>5,176,723</u>
Less investment expenses	(244,616)
Net investment earnings	<u>4,932,107</u>
Other income	<u>1,691</u>
	<u>9,145,682</u>
Total Additions	9,145,682
DEDUCTIONS	
Pension benefits	2,744,539
DROP distributions	506,863
Administrative expenses	142,815
	<u>3,394,217</u>
Total Deductions	<u>3,394,217</u>
Change in Net Position	5,751,465
NET POSITION RESTRICTED FOR PENSION BENEFITS	
Beginning of year	<u>69,605,542</u>
End of Year	<u><u>\$ 75,357,007</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The Town of Jupiter, Florida (the "Town"), is a political subdivision of the State of Florida incorporated on February 9, 1925, under the authority of Chapter 165, Florida Statutes, and was established by House Bill 698, Laws of Florida, 1925. The Town is governed by five Councilors elected by residents of the Town. The accompanying financial statements present the Town and its blended component unit, a legally separate entity for which the Town is considered financially accountable.

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.

Blended Component Unit: The Jupiter Community Redevelopment Agency (the "CRA") is a dependent special district established by the Town of Jupiter, Florida, under authority granted by Florida Statute 163, Section III. The CRA is included in the Town's financial reporting entity as a blended component unit reported in a governmental (special revenue) fund, the *Community Redevelopment Fund*. The purpose of the CRA is to promote and guide the physical and economic development of approximately 400 acres along the Intracoastal Waterway in the Town of Jupiter. The CRA is a legally separate entity established by Ordinance number 60-01 of the Jupiter Town Council in December 2001. The governing body of the CRA consists of the Town Council and the Town handles the management and administration of the CRA's financial matters. Separate financial statements for the CRA are not prepared.

Related Organization: The Northern Riverwalk Community Development District (the "NRCDD") was created on May 19, 2009 by Ordinance 1-09 of the Town of Jupiter, Florida, pursuant to the Florida Uniform Community Development District Act of 1980. The NRCDD was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for development within the NRCDD. The NRCDD is governed by a Board of Supervisors (the "Board"), which is composed of five members elected by the owners of the property within the NRCDD. The Town does not approve budgets, retain any financial interest or have any obligation for debt and cannot impose its will on the NRCDD. Accordingly, the NRCDD is not included in the Town's financial reporting entity.

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 and its component unit. These financial statements include separate columns for the *governmental activities*, which are normally supported by taxes and intergovernmental revenue, and *business-type activities*, which rely primarily on fees and charges for support. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's enterprise funds operations and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

for the various functions concerned. All internal balances in the Statement of Net Position have been eliminated, except those representing balances between the governmental activities and business-type activities, which are presented as internal balances and eliminated in the Total Column. In the Statement of Activities, all interfund transactions have been eliminated, except for charges between the Town's governmental activities and business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or identifiable activity is offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or identifiable activity. *Program revenue* includes 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 revenue are reported as *general revenue*. The Town does not allocate indirect costs, however, an administrative service fee is charged by the General Fund to recover the direct costs of General Fund services provided (such as finance, legal, human resources, information systems, etc.).

Fund Financial Statements: The underlying accounting system of the Town is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds used by the Town are classified into three categories: *governmental*, *proprietary* and *fiduciary*. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The Town's major governmental funds and enterprise funds are reported as separate columns in the fund financial statements.

Governmental Fund Financial Statements - Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and nonmajor funds in the aggregate. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements, to the net position and changes in net position presented in the government-wide financial statements. The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Community Redevelopment Fund* accounts for the economic development activities of the Jupiter Community Redevelopment Agency, whose primary revenue source is from tax increment revenue.

The *Capital Improvements Fund* accounts for the purchase and construction of major capital facilities and projects included in the Town's adopted five year Community Investment Program which is funded primarily by ad valorem property tax revenue.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Fund Financial Statements – Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. The Town reports the following major proprietary funds:

The *Water System Fund* accounts for operations of the Town’s water utility system.

The *Stormwater Fund* accounts for operations the Town’s stormwater collection, treatment and disposal system.

The *Building Fund* accounts for the plan review, permitting and inspection operations the Town’s Building Department.

Fiduciary Fund Financial Statements – Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The Town’s only Fiduciary Fund is a *pension trust fund*. Since by definition these assets are being held for the benefit of third parties (pension participants) and cannot be used to finance activities or obligations of the government, these funds are not included in the government-wide financial statements. The only Fiduciary Fund of the Town is as follows:

The *Municipal Police Officers’ Retirement Trust Fund* (MPORT) is used to account for assets held in a trustee capacity for the retirement pensions of all permanent, full-time Town police officers.

Measurement Focus and Basis of Accounting: Financial reporting is based upon all pronouncements of the Governmental Accounting Standards Board (GASB).

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenue is recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all purpose restrictions 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. 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.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary fund financial statements distinguish *operating* revenue and expenses from *nonoperating* items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. The proprietary funds also recognize as operating revenue the portion of connection fees intended to recover the cost of connecting new customers to the water system. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

For purposes of measuring the net pension liability, deferred inflows/outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town's defined benefit pension plan and Florida Retirement System and the additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the Town's defined benefit pension plan and the Florida Retirement System. Pension benefit payments (including refunds of employee contributions) and OPEB benefit payments for the Town's OPEB plan are recognized when due and payable in accordance with the benefit terms.

Property Taxes: 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. Revenue is recognized at the time the taxes are received from Palm Beach County. Pursuant to Florida law, the Palm Beach County Tax Collector advertises and sells tax certificates on all real property for which there are unpaid, delinquent taxes. Accordingly, the Town has no property taxes receivable at September 30, 2018.

Tax revenues are generated by a millage rate set annually by the Town Council with a legal limit of 10 mills (\$10.00 per \$1,000 of taxable property value). The Town contracts fire rescue services to Palm Beach County Fire Rescue MSTU (municipal services taxing unit), which levies a separate tax on Town property owners of 2.0038 mills. The Palm Beach County Fire Rescue MSTU millage rate is deducted from the Town's legal millage rate cap of 10 mills, thereby reducing the Town's millage rate cap to 7.9962.

During 2007, the Florida Legislature passed property tax reform legislation limiting the property tax levies of local governments in the State of Florida. 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. The State law allows local governments to adopt a 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 roll back millage rate plus 10%; or (3) any millage rate approved by unanimous vote or referendum. For the fiscal year ending September 30, 2018, the Town adopted a total millage rate of 2.4633, which was less than the maximum tax rate permitted. This millage rate resulted in a total tax levy, including the CRA, of \$25,441,725 for 2018, representing a 6.36% increase over the property tax levy for 2017. Future property tax growth is limited to the annual growth rate of per capita personal income plus the value of new construction.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents: Cash and cash equivalents consist of petty cash, deposits with financial institutions in interest and non-interest bearing checking accounts and money market accounts and money market mutual funds. For purposes of the statement of cash flows and financial statement disclosures, cash equivalents also include short-term, highly liquid investments with original maturities of ninety days or less when purchased. Money market mutual funds held by MPORT are considered part of the long-term investment portfolio.

Investments: The Town's investments consist of U.S. Government Agency securities, tax-exempt state and local debt securities, corporate obligations and asset-backed bonds reported at fair value, investments in Florida Prime and FLCLASS (2a7-like external investment pools) reported at amortized cost, certificates of deposits reported at cost, and Pension Fund investments including negotiable certificates of deposit, money market mutual funds, U.S. Government and Agency securities, corporate obligations, asset-backed bonds, domestic and foreign equity and debt securities, equity mutual funds, REIT index funds and commingled real estate funds reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments are measured at fair value on a recurring basis.

Accounts Receivable: General government accounts receivable include State shared revenues and charges for miscellaneous services. Accounts receivable reported in the Proprietary Funds represent amounts due for water and stormwater services from utility customers and building related fees due from developers and individuals, generally all of whom are local businesses and residents. Noncurrent receivables in the Water System Fund include amounts due from developers for connection fees and guaranteed revenues that are payable when connections are made to the utility system. Utility customers pay a cash deposit to the Town as collateral for future charges for services. The Town does not require collateral for other accounts receivable. Accounts receivable are reported net of an allowance for doubtful accounts determined based on the age of the individual receivable, with age categories ranging from 30 days past due to several years past due. Generally, the allowance includes accounts over 120 days past due. Accounts receivable are written off on an individual basis in the year the Town deems them uncollectible.

Internal Balances: Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the government-wide governmental and business-type activities columns of the statement of net position, except for any residual amount, which is presented as internal balances.

Inventories: Inventories recorded in the General Fund represent fuel and oil and inventories in the Water System Fund represent parts, materials and supplies in storage at year end. Inventories are valued at cost (first-in/first-out) which approximates fair value and are recorded under the consumption method which records inventories as expenditures when used. Reported amounts in governmental funds are equally offset by nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Prepaid Items/Expenses: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items/expenses under the consumption method. Reported amounts in governmental funds are equally offset by nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Assets: Certain cash equivalents and investments of the General Fund, Capital Improvements Fund and Enterprise Funds are restricted by debt covenants for land acquisition, construction, and other amounts legally required to be set aside for debt service, operations, renewal and replacement and capital improvements. Restricted resources are used first to fund expenses incurred for restricted purposes.

Capital Assets: The Town reports all capital assets, including infrastructure assets (roads, sidewalks and similar items), in the government-wide statement of net position. Capital assets are defined by the Town as assets with an estimated useful life in excess of one year and an initial, individual cost of more than \$5,000, or software with an individual cost of more than \$25,000. Capital assets are recorded at cost or, if donated, at acquisition value at the date of donation. Expenses which materially extend the useful life of existing assets are capitalized. Costs for professional services associated with the acquisition and construction of enterprise fund capital assets are capitalized. The cost of capital assets sold or retired is removed from the accounts and any resulting gain or loss is included in the change in net position. 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 categories of assets are as follows:

Buildings and plant	5-70 years
Improvements	15-70 years
Equipment and vehicles	5-20 years
Infrastructure	7-25 years

Unearned/Unavailable Revenues: Unearned revenue in the governmental activities and unavailable revenues (a deferred inflow of resources) in the governmental funds include amounts received in advance of the related services being provided by the Town and earned interest income that is not currently due. Unearned revenue in the business-type activities and enterprise funds includes utility payments from customers and other amounts received in advance of the related services being provided by the Town.

Compensated Absences: The Town records accumulated, unpaid vacation, sick and compensatory pay in the enterprise funds as a fund liability. The liability for compensated absences attributable to the Town's governmental funds is recorded only in the government-wide financial statements. The liability for compensated absences of both the governmental and enterprise funds includes related payroll taxes and benefits. Employees may accumulate up to forty days' vacation leave. Employees accrue sick leave at the rate of eight hours per month until retirement or termination, at which time they are paid for up to 50% of their unused sick leave, based on their length of service with the Town. Accordingly, the Town accrues up to 50% of eligible, unused sick leave and related payroll taxes and benefits in the year earned. The Town records compensatory time and related payroll taxes and benefits in the year earned.

Noncurrent Obligations: In the government-wide financial statements and enterprise fund financial statements, long-term debt and other noncurrent obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise fund statement of net position. Long-term debt is reported net of applicable premium or discount. Debt discount and premium in the government-wide financial statements and enterprise funds are amortized using the straight-line method, which approximates the interest method, and are charged against operations over the term of the debt issues.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unamortized debt discount and premium is presented as a reduction of or addition to long-term debt payable. Issuance costs of debt are reported as current period expenses.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources: In addition to assets and liabilities, the government-wide Statement of Net Position and the governmental funds Balance Sheet report a separate section for deferred outflows or deferred inflows of resources. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The Town reports deferred charges on refundings as deferred outflows of resources on the government-wide and enterprise funds Statement of Net Position. The deferred charges on refundings were losses resulting from the difference in the carrying value of refunded debt and its reacquisition price. The amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pensions results from differences between expected and actual experience and investment earnings, changes in assumptions, Town pension contributions after the pension plan measurement date but prior to the Town's year end or other inputs. The amounts are deferred and amortized to pension expense in a systematic and rational manner over a period equal to the average expected remaining service lives of employees that are provided with benefits through the pension plan, including inactive employees.

The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The Town's deferred inflows reported on the government-wide and enterprise funds Statement of Net Position are related to its pension and other postemployment benefits (OPEB) obligations. The deferred inflow of resources related to pensions and OPEB results from differences between expected and actual experience and investment earnings, changes in assumptions, changes in proportion and differences between Town contributions and proportionate share of contributions or other inputs. These amounts are deferred and amortized to pension and OPEB expense in the same manner as deferred outflows related to pensions and OPEB, respectively. The Town also has one item, unavailable revenues, which arises only under the modified accrual basis of accounting and is reported as a deferred inflow of resources on the governmental funds Balance Sheet. The unavailable revenues result from amounts received in advance for business licenses and earned interest income that is not currently due in the General Fund and a note receivable in the Community Redevelopment Fund that will be earned in future years as services are provided. These amounts are deferred and recognized as an inflow of resources in the year that the amounts become available.

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

Net Investment in Capital Assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

outstanding balance of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of *Net Investment in Capital Assets*. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted - This component of net position consists of constraints placed on the use of net position by external restrictions imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

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

Fund Balance - In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Town is legally bound to honor the specific purposes for which amounts in fund balance may be spent. The fund balance classifications are summarized as follows:

Nonspendable - Nonspendable fund balances include amounts that cannot be spent because they are either (1) not in spendable form; or (2) legally or contractually required to be maintained intact.

Restricted - Restricted fund balances include amounts that are restricted to specific purposes either by (1) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by the Town Council through an ordinance or resolution. The Town had no committed fund balances.

Assigned - Assigned fund balances include amounts that are constrained by the Town's intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance are made by the Town Manager or Finance Director based upon authority provided in a Resolution adopted by the Town Council or in the Town's annual budget.

Unassigned - Unassigned fund balance includes General Fund amounts that have not been restricted, committed, or assigned to specific purposes.

The Town considers restricted fund balances to be spent when an expenditure is incurred for the restricted purpose. The Town considers committed, assigned or unassigned fund balances to be spent when an expenditure is incurred for purposes for which amounts in any of those fund balance classifications could be used.

Minimum Fund Balance Policy - The Town Council has not adopted a formal minimum fund balance policy. Generally, the Town strives to maintain sufficient General Fund fund balance to provide liquidity in the event of a budget shortfall or natural disaster.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

On-behalf Payments: In accordance with U.S. generally accepted accounting principles, on-behalf payments of \$743,715 received by the Town from the State of Florida for the benefit of the Municipal Police Officers' Retirement Trust Fund (MPORT) for the year ended September 30, 2018, have been recognized as intergovernmental revenue in the General Fund. The expenditure for the MPORT pension was recorded in the General Fund as Police Department personal services.

Interfund Transactions: Transactions between funds during the year consist of loans, services provided, reimbursements or transfers. Loans are reported as *Due from Other Funds* and *Due to Other Funds* and are subject to elimination in the government-wide financial statements. Services, deemed to be reasonably equivalent in value, are treated as revenue and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are presented as transfers. Transfers between the governmental and business-type activities are eliminated in the government-wide financial statements.

Implementation of GASB Statements: The following GASB Statements were effective for the Town for the fiscal year ended September 30, 2018:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes new accounting and financial reporting requirements for governments whose employees are provided with other postemployment benefits (OPEB), as well as certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to employees of other entities.
- GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, provides accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary and requires that a government recognize assets representing the beneficial interest in the irrevocable split-interest agreement administered by a third party if the government controls the present service capacity of the beneficial interests.
- GASB Statement No. 85, *Omnibus 2017*, addresses practice issues that have been identified during implementation and application of certain GASB Statements including topics related to blending component units, goodwill, fair value measurement and application, and postemployment benefits.
- GASB Statement No. 86, *Certain Debt Extinguishment Issues*, provides consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which only existing resources, other than the proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in-substance.

In addition, the Town early adopted the provisions of GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, which requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restatement for Implementation of GASB Statement 75 – The implementation of GASB Statement No. 75 resulted in a restatement that decreased the beginning net position of the governmental activities and business-type activities of the Town’s government-wide financial statements by \$2,449,928 and \$250,352, respectively, and decreased the beginning net position of Enterprise Funds financial statements by \$250,352, to record the total OPEB liability for the Town’s defined benefit OPEB plan at October 1, 2017. The implementation of other GASB Statements effective for the year ended September 30, 2018 had no effect on the previously reported amounts in the Town’s financial statements.

Recent GASB Pronouncements: The Governmental Accounting Standards Board has also issued new Statements effective in future years. Management has not completed its analysis of the effects, if any, of the following GASB Statements on the financial statements of the Town:

- GASB Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). Statement No. 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. Statement No. 83 also requires disclosure of information about the government’s AROs, including the methods and assumptions used for estimating liabilities and the estimated remaining useful life of the associated tangible capital assets. The requirements of this statement will be effective for the Town for the fiscal year ending September 30, 2019.
- GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria is on (1) whether a government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefits arrangements that are fiduciary activities. The requirements of this statement will be effective for the Town for the fiscal year ending September 30, 2020.
- GASB Statement No. 87, *Leases*, addresses accounting and financial reporting for leases by governments. The statement requires 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. The requirements of this statement will be effective for the Town for the fiscal year ending September 30, 2021.
- GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, addresses the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The Statement requires additional note disclosures regarding debt, including unused lines of credit, assets pledged as collateral for debt, and terms specified in debt agreements related to significant events of default with finance related consequences, significant termination events with finance related consequences and significant acceleration provisions. The requirements of this statement will be effective for the Town for the fiscal year ending September 30, 2019.
- GASB Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*, defines a majority equity interest and specifies the basis for measurement of a majority equity interest in a legally separate organization. The requirements of this statement will be effective for the Town for the fiscal year ending September 30, 2020.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 revenues and expenditures. Actual results could vary from the estimates that were used.

NOTE B - CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and Cash Equivalents: At September 30, 2018, the Town's cash and cash equivalents included petty cash of \$9,989, deposits in demand deposit accounts of \$66,829,702, and a depository cash account with a securities broker of \$5,359,836. The demand deposit accounts of \$66,829,702 are held by financial institutions that comply with the requirements of Florida Statutes and have been designated as a qualified public depository by the State Treasurer of Florida. 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, all claims for government deposits would be satisfied by the State Treasurer from 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 qualified public depositories are considered fully insured in accordance with the provisions of GASB Statements.

The Town's depository cash account of \$5,359,836 and the MPORT's money market mutual fund of \$1,959,218, were held by the counterparty (securities brokers) in the name of the Town or MPORT, as applicable, but were not otherwise collateralized or secured. The money market mutual funds are reported at amortized cost, which approximates fair value.

Investments: Town ordinances authorize the Town to invest in the Florida Prime external investment pool administered by the State Board of Administration (SBA); governmental investment pools authorized under Florida Statutes Section 163; direct obligations of or obligations unconditionally guaranteed by the U.S. Government; obligations of U.S. Government Agencies and Instrumentalities; interest bearing time deposits or savings accounts in State qualified public depositories; obligations of the Federal Farm Credit Banks, Federal Home Loan Mortgage Corporation, Federal Home Loan Bank, or obligations guaranteed by the Government National Mortgage Association; obligations of Fannie Mae; the Florida Municipal Investment Trust; state and local tax-exempt debt securities; floating rate securities, money market mutual funds and repurchase agreements invested exclusively in obligations of the U.S. Government and its Agencies and Instrumentalities; and, investments specifically authorized by Town ordinance or resolution. The Town's investment policy prohibits investing in equity securities, derivative investments and cash accounts not held by a qualified public depository.

The Municipal Police Officers' Retirement Trust Fund (MPORT) is authorized to invest in the same investments as the Town, bonds issued by the State of Israel and bonds, stocks or other evidence of equity

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

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

or indebtedness issued or guaranteed by a corporation organized under the laws of the United States or organized territory of the United States, or the District of Columbia, provided that the corporation is listed on any one or more of the recognized national stock exchanges and, in the case of bonds only, holds an investment grade rating by a major rating service at the time of purchase. Additionally, the MPORT Board of Trustees may not invest more than twenty-five percent of MPORT assets in foreign securities, nor more than five percent of its assets in the common stock or capital stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed five percent of the outstanding capital stock of that company, nor shall the aggregate of these investments exceed seventy percent of the fund's assets. The investments of the Town and MPORT at September 30, 2018 are summarized as follows:

	Primary Government	Fiduciary Fund Pension Trust	Total
Florida Prime	\$ 61,457,815	\$ -	\$ 61,457,815
Certificates of deposit (\$1,039,623 pledged - Note N)	2,337,938	1,034,230	3,372,168
Money market mutual funds	-	1,959,218	1,959,218
Florida intergovernmental investment pool	10,559,965	-	10,559,965
U.S. Government securities	-	3,363,257	3,363,257
U.S. Government Agency securities	19,173,070	6,717,712	25,890,782
Tax-exempt state and local debt securities	7,512,748	-	7,512,748
Corporate obligations	3,920,098	7,335,052	11,255,150
Asset-backed bonds	10,671	3,026,999	3,037,670
Foreign bonds	-	82,844	82,844
Equity securities	-	8,357,535	8,357,535
Preferred stock	-	350,313	350,313
Equity mutual funds	-	21,982,849	21,982,849
REIT index funds	-	3,123,689	3,123,689
Commingled real estate funds	-	3,580,552	3,580,552
International equity mutual funds	-	13,595,872	13,595,872
Total investments	<u>\$ 104,972,305</u>	<u>\$ 74,510,122</u>	<u>\$ 179,482,427</u>

The total cash and cash equivalents and investments of the Town and MPORT are reported as follows:

	Primary Government	Fiduciary Fund Pension Trust	Total
Reported in the financial statements as:			
Cash and cash equivalents	\$ 71,022,455	\$ -	\$ 71,022,455
Restricted cash and cash equivalents	<u>1,177,072</u>	<u>-</u>	<u>1,177,072</u>
Total cash and cash equivalents	72,199,527	-	72,199,527
Investments	100,364,203	74,510,122	174,874,325
Restricted investments	<u>4,608,102</u>	<u>-</u>	<u>4,608,102</u>
Total investments	<u>104,972,305</u>	<u>74,510,122</u>	<u>179,482,427</u>
Total cash, cash equivalents and investments	<u>\$ 177,171,832</u>	<u>\$ 74,510,122</u>	<u>\$ 251,681,954</u>

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

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

The Town's investment securities are held by the counterparty (securities broker) in the Town's name but are not otherwise collateralized or insured. The MPORT investment securities are held in custodial safekeeping accounts.

Florida Prime consists of equity in an external investment pool administered by the State of Florida pursuant to statutory requirements and operated in a manner consistent with SEC Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC registered mutual funds to use amortized cost, rather than fair value, to report net position used to compute share prices if certain conditions are met. Those conditions include restrictions on the types of investments held, restrictions on the term-to-maturity of individual investments and the dollar-weighted average of the portfolio, requirements for portfolio diversification, and requirements for divestiture considerations in the event of security downgrades and defaults, and required actions if the fair value of the portfolio deviates from amortized cost by a specified amount. The fair value of the position in the pool is considered to be the same as the Town's account balance (amortized cost) in the pool. The Town may withdraw funds from Florida Prime on an overnight basis, generally without limitation or imposition of fees.

The Florida intergovernmental investment pool consists of Florida Cooperative Liquid Assets Securities System (FLCLASS). FLCLASS is organized under Florida Statutes Section 163, the Florida Interlocal Cooperation Act, by Florida public agencies for the purpose of operating an independent investment pool for local governments in Florida and is administered by a Board of Trustees elected by the participants in the pool. FLCLASS is operated in a manner consistent with SEC Rule 2a7 of the Investment Company Act of 1940. The fair value of the position in FLCLASS is considered to be the same as the Town's account balance (amortized cost) in the pool. The Town may withdraw funds from FLCLASS on an overnight basis, generally without limitation or imposition of fees.

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 fair value 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.

If the asset has a specified contractual term, the Level 2 input must be observable for substantially the full term of the asset.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

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

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the Town'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 within the fair value hierarchy is based upon the pricing transparency of the investment and 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 and MPORT in estimating the fair value of financial instruments that are measured at fair value on a recurring basis under GASB Statement No. 72:

Equity securities and REIT index funds: Valued at the closing price reported on the active exchange on which the individual securities are traded.

Equity mutual funds: Valued at the net asset value reported on the active exchange on which the funds are traded.

U.S. Government and U.S. Government Agency securities, negotiable certificates of deposit, tax-exempt state and local debt securities, corporate obligations, asset-backed bonds, foreign bonds and preferred stock: Valued at the closing price reported on the national exchange on which the individual securities are actively traded. Securities that are not actively traded are valued by the investment custodian using a matrix pricing technique based on the securities' relationship to quoted benchmark prices.

Investments measured at net asset value (NAV): The commingled real estate funds are valued at the unadjusted NAV per share, calculated at September 30, 2018 in a manner consistent with the Financial Accounting Standard Board's measurement principles for investment companies based on the fair value of the underlying fund investments, as determined by the fund manager. Real estate values may be based upon independent appraisals performed for assets held by the fund or may be estimated by the fund manager. The fair value of real estate is the price that would be received if the asset was sold to a market participant assuming the highest and best use of each asset at September 30, 2018. The commingled real estate funds had no unfunded commitments. Redemptions from the funds may be made at the end of a calendar quarter with ten days advance notice.

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 and MPORT believe their 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, 2018.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

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

Fair Value of Investments: The financial assets measured at fair value on a recurring basis include the Town's investments. There were no liabilities measured at fair value on a recurring basis at September 30, 2018. The fair value of the Town's investments at September 30, 2018 is summarized as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Debt investments				
U.S. Government securities	\$ 3,363,257	\$ -	\$ -	\$ 3,363,257
U.S. Government Agencies	-	25,890,782	-	25,890,782
Negotiable certificates of deposit	1,034,230	-	-	1,034,230
Tax-exempt state and local debt	-	7,512,748	-	7,512,748
Corporate obligations	-	11,255,150	-	11,255,150
Asset-backed bonds	-	3,037,670	-	3,037,670
Foreign bonds	-	82,844	-	82,844
Total debt securities	<u>4,397,487</u>	<u>47,779,194</u>	-	<u>52,176,681</u>
Equity investments				
Equity securities	8,357,535	-	-	8,357,535
Preferred stock	350,313	350,313	-	350,313
Equity mutual funds	21,982,849	-	-	21,982,849
REIT index funds	3,123,689	-	-	3,123,689
International equity mutual funds	<u>13,595,872</u>	-	-	<u>13,595,872</u>
Total equity securities	<u>47,059,945</u>	<u>350,313</u>	-	<u>47,410,258</u>
Total investments by level	<u>\$ 51,457,432</u>	<u>\$ 48,129,507</u>	<u>\$ -</u>	99,586,939
Investments measured at NAV				
Commingled real estate funds				3,580,552
Investments measured at amortized cost				
Florida Prime				61,457,815
Florida intergovernmental investment pool (FLCLASS)				10,559,965
Certificates of deposit				2,337,938
Money market mutual funds				<u>1,959,218</u>
Total fair value				<u>\$ 179,482,427</u>

Custodial Credit Risk: Custodial credit risk is defined as the risk that the Town may not recover cash and investments held by another party in the event of a financial failure. The Town's investment policy requires investments to be fully insured or collateralized, or held in third party custodial safekeeping accounts in the name of the Town. At September 30, 2018, all Town investments were held in custodial safekeeping accounts in the name of the Town or MPORT. Florida Prime, FLCLASS and money market mutual funds are considered *unclassified* pursuant to GASB Statement No. 3.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

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

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. MPORT had \$82,844 of foreign currency denominated bonds and \$13,595,872 invested in international equity mutual funds at September 30, 2018.

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. Town policy requires at least 30% of the investment portfolio to mature within one year; no more than 10% may mature in more than five years; and, no investment may have a maturity of more than 15 years. The MPORT investment policy does not limit investment maturities. At September 30, 2018, Florida Prime had a weighted average maturity of 51 days, FLCLASS had a weighted average maturity of 49 days and the money market mutual funds had a weighted average maturity of less than 90 days. The following table summarizes the scheduled maturities of debt securities of the Town and MPORT at September 30, 2018.

	Fair Value of Investment Maturities			
	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
U.S. Government securities	\$ -	\$ 436,026	\$ 2,012,869	\$ 914,362
U.S. Government Agency securities	1,994,500	18,118,600	3,157,397	2,620,285
Negotiable certificates of deposit	-	1,034,230	-	-
Tax-exempt state and local debt	-	7,512,748	-	-
Corporate obligations	4,060,165	3,375,862	2,247,058	1,572,065
Asset-backed bonds	40,702	1,514,991	196,231	1,285,746
Foreign bonds	20,842	51,049	10,953	-
	<u>\$ 6,116,209</u>	<u>\$ 32,043,506</u>	<u>\$ 7,624,508</u>	<u>\$ 6,392,458</u>

Credit Risk: Credit risk is the risk that a debt issuer will not fulfill its obligations. The Town's investment policy requires that investments in debt securities, Florida Prime and money market mutual funds be rated in one of the top two investment grades by a Nationally Recognized Statistical Rating Organization (NRSRO) and the MPORT requires an investment grade rating (BBB or higher) by an NRSRO when purchased. The MPORT utilizes ratings from Standard and Poor's and Moody's Investor Services for investments. Florida Prime, FLCLASS and the money market mutual funds owned by the Town and MPORT are rated AAAM. The NRSRO ratings for the investment securities of the Town and MPORT at September 30, 2018, are summarized as follows:

	NRSRO Rating	Fair Value
U.S. Government securities	AA	\$ 3,363,257
U.S. Government Agency securities	AA	25,890,782
Negotiable certificates of deposit	AA	1,034,230
Tax-exempt state and local debt	AA	7,512,748
Corporate obligations	AAA - CCC	11,255,150
Asset-backed bonds	AAA - BB	3,037,670
Foreign bonds	BBB - B	82,844

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE B - CASH, CASH EQUIVALENTS, 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's investment policy limits investments held by any single financial institution to a maximum of 50% of the total cost of the investment portfolio, excluding securities held under a third party safekeeping agreement. In the MPORT, securities of a single issuer are limited to no more than 5% of the net position of the pension fund invested in common stocks and debt securities. Investments in mutual funds and money market accounts are excluded from the concentration of credit risk disclosure requirement.

Risks and Uncertainties: The investments of the Town and MPORT include securities, mutual funds and other investments which are exposed to various risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements. The value, liquidity, and related income of certain securities with contractual cash flows, such as asset-backed securities, collateralized mortgage obligations, commercial mortgage-backed securities and real estate funds or pooled funds investing in these securities or entities, are particularly sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

NOTE C - ACCOUNTS RECEIVABLE

Accounts receivable and allowance for doubtful accounts at September 30, 2018 consist of the following:

	<u>Gross Accounts Receivable</u>	<u>Allowance For Doubtful Accounts</u>	<u>Net Receivable</u>
Governmental Activities / Funds			
General Fund - Accounts	\$ 1,135,875	\$ (15,148)	\$ 1,120,727
General Fund - Intergovernmental	<u>394,539</u>	<u>-</u>	<u>394,539</u>
Total Governmental Activities / Funds	1,530,414	(15,148)	1,515,266
Business-type Activities / Enterprise Funds			
Water System Fund - Utility accounts	1,279,301	(66,161)	1,213,140
Stormwater Fund - Utility accounts	239,947	(5,582)	234,365
Building Fund	<u>1,643</u>	<u>-</u>	<u>1,643</u>
Total Business-type Activities / Enterprise Funds	<u>1,520,891</u>	<u>(71,743)</u>	<u>1,449,148</u>
	<u>\$ 3,051,305</u>	<u>\$ (86,891)</u>	<u>\$ 2,964,414</u>

Noncurrent receivables in the Proprietary Funds of \$4,061,066 have no allowance for doubtful accounts at September 30, 2018.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE D - NOTES RECEIVABLE

The Town had the following notes receivable at September 30, 2018:

General Fund - Economic Development Loan	\$ 111,173
Community Redevelopment Fund - Land sale	<u>93,287</u>
Total notes receivable	<u>\$ 204,460</u>

Economic Development Loan: The Town provided a loan of \$300,000 to a private company as part of the Town's economic development initiative. The company defaulted on the loan in 2013. The loan was collateralized by a pledged certificate of deposit for \$300,000 which the bank applied to the outstanding loan. The Town recorded the \$300,000 due from the company as a loan receivable in the General Fund. At September 30, 2018, the outstanding balance on the loan was \$111,173. Town management is attempting to negotiate a workable repayment plan with the company and Town management expects this receivable will be fully collectible.

Land Sale: During 2013, the Town closed on the sale of a parcel of land to a private owner and received a note receivable for a portion of the sales price. The note is non-interest bearing and is due in 177 monthly installments of \$800 until fully paid. In lieu of cash payments on the note, the Town and the private owner agreed that the owner shall pay all ongoing costs associated with the operation and maintenance of a public restroom facility located on the property sold by the Town and the owner will receive a monthly credit of \$800 against the promissory note. The note receivable balance was \$93,287 at September 30, 2018.

NOTE E - GENERAL FUND ADVANCES DUE FROM CRA

The Town's General Fund has advanced funds to the Jupiter Community Redevelopment Agency (CRA) for the purchase of property, construction of public improvements and redevelopment activities within the boundaries of the CRA. The Town and the CRA have entered into an interlocal agreement for the repayment of these advances to the General Fund by the CRA, with interest at 3.0%, through the year ending September 30, 2027. The repayment of the advances ranges from approximately \$659,000 in 2018 to \$1.1 million in 2027, and generally increase each year commensurate with the expected increases in the CRA's tax increment revenues resulting from the redevelopment activities. The outstanding advances totaled \$5,009,196 at September 30, 2018 and are considered to be noncurrent because the repayments are not expected to be available under the modified accrual basis of accounting.

NOTE F - CAPITAL ASSETS

The Town's capital asset activity for the year ended September 30, 2018 is summarized as follows:

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE F - CAPITAL ASSETS (Continued)

	Balance at Beginning of Year	Increases	Decreases	Balance at End of Year
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 44,777,745	\$ 276,008	\$ -	\$ 45,053,753
Depreciable capital assets				
Buildings	22,460,892	-	-	22,460,892
Improvements	50,266,181	1,420,522	-	51,686,703
Machinery and equipment	10,509,070	1,233,240	(451,654)	11,290,656
Infrastructure	<u>43,326,993</u>	<u>2,875,298</u>	<u>-</u>	<u>46,202,291</u>
Total depreciable capital assets	126,563,136	5,529,060	(451,654)	131,640,542
Less accumulated depreciation				
Buildings	(15,256,106)	(506,047)	-	(15,762,153)
Improvements	(21,439,735)	(1,554,784)	-	(22,994,519)
Machinery and equipment	(7,582,701)	(899,039)	432,339	(8,049,401)
Infrastructure	<u>(18,876,467)</u>	<u>(1,557,737)</u>	<u>-</u>	<u>(20,434,204)</u>
Total accumulated depreciation	<u>(63,155,009)</u>	<u>(4,517,607)</u>	<u>432,339</u>	<u>(67,240,277)</u>
Depreciable capital assets, net of accumulated depreciation	<u>63,408,127</u>	<u>1,011,453</u>	<u>(19,315)</u>	<u>64,400,265</u>
Total capital assets, net	<u>\$ 108,185,872</u>	<u>\$ 1,287,461</u>	<u>\$ (19,315)</u>	<u>\$ 109,454,018</u>
Business-Type Activities				
Capital assets not being depreciated				
Land	\$ 569,123	\$ -	\$ -	\$ 569,123
Construction in progress	<u>2,919,158</u>	<u>1,299,899</u>	<u>(1,103,199)</u>	<u>3,115,858</u>
Total capital assets not being depreciated	3,488,281	1,299,899	(1,103,199)	3,684,981
Depreciable capital assets				
Buildings and plant	103,522,881	279,660	-	103,802,541
Improvements	223,352,706	6,025,836	-	229,378,542
Machinery and equipment	<u>29,820,054</u>	<u>998,186</u>	<u>(481,927)</u>	<u>30,336,313</u>
Total depreciable capital assets	356,695,641	7,303,682	(481,927)	363,517,396
Less accumulated depreciation				
Buildings and plant	(33,179,271)	(3,020,273)	-	(36,199,544)
Improvements	(89,482,152)	(2,967,983)	-	(92,450,135)
Machinery and equipment	<u>(20,087,970)</u>	<u>(1,296,141)</u>	<u>472,471</u>	<u>(20,911,640)</u>
Total accumulated depreciation	<u>(142,749,393)</u>	<u>(7,284,397)</u>	<u>472,471</u>	<u>(149,561,319)</u>
Depreciable capital assets, net of accumulated depreciation	<u>213,946,248</u>	<u>19,285</u>	<u>(9,456)</u>	<u>213,956,077</u>
Total capital assets, net	<u>\$ 217,434,529</u>	<u>\$ 1,319,184</u>	<u>\$ (1,112,655)</u>	<u>\$ 217,641,058</u>

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE F - CAPITAL ASSETS (Continued)

Depreciation expense charged to governmental activities for the year ended September 30, 2018 was as follows:

General government	\$	2,336,154
Public safety		187,601
Engineering and public works		1,016,836
Culture and recreation		<u>977,016</u>
Total Governmental Activities		
Depreciation Expense	\$	<u>4,517,607</u>

NOTE G - NONCURRENT LIABILITIES

Governmental Activities

Changes in governmental activities noncurrent liabilities for the year ended September 30, 2018 are summarized as follows:

	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at End of Year</u>	<u>Amounts Due Within One Year</u>
General Obligation Bonds					
Series 2001	\$ 3,200,000	\$ -	\$ 735,000	\$ 2,465,000	\$ 780,000
Series 2005	8,245,000	-	895,000	7,350,000	930,000
Sales Tax Revenue					
Refunding Notes					
Series 2008	540,000	-	170,000	370,000	180,000
Series 2013	2,328,868	-	762,727	1,566,141	776,210
Tax increment incentive	503,755	200,755	-	704,510	-
Compensated absences	<u>3,396,283</u>	<u>303,828</u>	<u>213,064</u>	<u>3,487,047</u>	<u>200,000</u>
Total long-term debt	18,213,906	<u>\$ 504,583</u>	<u>\$ 2,775,791</u>	15,942,698	<u>\$ 2,866,210</u>
Current maturities	(2,762,727)			(2,866,210)	
Unamortized bond discount	<u>(55,483)</u>			<u>(48,323)</u>	
Net long-term debt	<u>\$ 15,395,696</u>			<u>\$ 13,028,165</u>	

The debt service for the General Obligation Bonds is payable from ad valorem taxes. Sales Tax Revenue Refunding Notes are payable from pledged sales tax revenues. Compensated absences, pension obligations and other postemployment benefits obligations are generally liquidated by the General Fund from available non-ad valorem revenues. The tax increment incentive is payable by the CRA from taxes.

General Obligation Bonds - Series 2001: In July 2001, the Town issued \$11,330,000 in General Obligation Bonds - Series 2001 to finance the acquisition, construction, reconstruction, relocation and equipping of the Town's community center and associated recreational facilities, including incidental costs and bond

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE G - NONCURRENT LIABILITIES (Continued)

issuance costs. Interest rates on the general obligation bonds range from 3.50% to 5.50% per annum. Principal and interest are payable January 1 and July 1 with a final maturity on July 1, 2021. The Town has pledged the proceeds of ad valorem tax revenue to secure payment of principal and interest. The debt service requirements of the General Obligation Bonds - Series 2001 are as follows:

Year Ending September 30	Principal	Interest	Total
2019	\$ 780,000	\$ 135,575	\$ 915,575
2020	820,000	92,675	912,675
2021	<u>865,000</u>	<u>47,575</u>	<u>912,575</u>
	<u>\$ 2,465,000</u>	<u>\$ 275,825</u>	<u>\$ 2,740,825</u>

General Obligation Bonds - Series 2005: In July 2005, the Town issued \$17,000,000 in General Obligation Bonds - Series 2005 to finance the acquisition of environmentally sensitive lands, lands for open spaces and traffic mitigation, clearing exotic vegetation and creating public access to the lands acquired, including incidental costs and bond issuance costs. Interest rates on the general obligation bonds range from 3.00% to 4.25% per annum. Principal and interest are payable July 1 with a final maturity on July 1, 2025. The debt service requirements of the General Obligation Bonds - Series 2005 are as follows:

Year Ending September 30	Principal	Interest	Total
2019	\$ 930,000	\$ 301,150	\$ 1,231,150
2020	965,000	263,950	1,228,950
2021	1,005,000	225,350	1,230,350
2022	1,045,000	185,150	1,230,150
2023	1,090,000	143,350	1,233,350
2024-2025	<u>2,315,000</u>	<u>148,538</u>	<u>2,463,538</u>
	<u>\$ 7,350,000</u>	<u>\$ 1,267,488</u>	<u>\$ 8,617,488</u>

Bond Ratings: Standard & Poor's Rating Services rates the Town's outstanding general obligation bonds as AAA. Moody's Investor Service rates the Town's outstanding general obligation bonds as Aaa.

Sales Tax Revenue Refunding Note - Series 2008: In October 2008, the Town issued a \$1,770,000 Sales Tax Revenue Refunding Note - Series 2008 (the "Series 2008 Note") to currently refund the outstanding principal balance of \$1,760,000 for the Sales Tax Revenue Refunding Bonds - Series 1997. The refunding resulted in an economic gain (the difference between the present value of the debt service payments of the refunded and refunding bonds) of \$155,596 and reduced the total debt service payment by \$185,966. Interest on the Series 2008 Note is payable at 3.62%. Principal and interest are payable March 1 and September 1 with a final maturity on September 1, 2020.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE G - NONCURRENT LIABILITIES (Continued)

The debt service requirements of the Series 2008 Note are as follows:

Year Ending September 30	Principal	Interest	Total
2019	\$ 180,000	\$ 13,394	\$ 193,394
2020	<u>190,000</u>	<u>6,878</u>	<u>196,878</u>
	<u>\$ 370,000</u>	<u>\$ 20,272</u>	<u>\$ 390,272</u>

Sales Tax Revenue Refunding Note - Series 2013: On November 21, 2013, the Town issued a \$5,270,000 Sales Tax Revenue Refunding Note, Series 2013 (the "Series 2013 Note") to fully pay the outstanding principal balance of \$5,240,000 on the Sales Tax Revenue Refunding Bonds - Series 2002 (the "Series 2002 Bonds"). Principal and accrued interest of \$5,240,000 and \$79,832, respectively, was paid to redeem and retire the Series 2002 Bonds on December 23, 2013. The refunding resulted in an economic gain (the difference between the present value of the debt service payments of the refunded and refunding bonds) of \$676,548 and reduced the total debt service payments by \$725,251. The Series 2013 Note is payable from and secured by the proceeds of Local Government Half-Cent Sales Tax distributed to the Town from the State of Florida Half-Cent Sales Tax Clearing Trust Fund (as defined in the note agreement). Principal and interest on the Series 2013 Note are payable on March 1 and September 1 through September 1, 2020. The interest rate on the Note is 1.76%. The debt service requirements of the Series 2013 Note are as follows:

Year Ending September 30	Principal	Interest	Total
2019	\$ 776,210	\$ 24,164	\$ 800,374
2020	<u>789,931</u>	<u>10,442</u>	<u>800,373</u>
	<u>\$ 1,566,141</u>	<u>\$ 34,606</u>	<u>\$ 1,600,747</u>

Pledged Governmental Revenues: The Town has pledged proceeds of the Local Government Half-Cent Sales Tax distributed to the Town from the State of Florida to secure the payment of principal and interest on the Sales Tax Revenue Refunding Notes. The Sales Tax Revenue Refunding Notes are payable through the year 2020, solely from the sales tax revenues received by the Town. Annual principal and interest payments on the Sales Tax Revenue Refunding Notes are expected to require less than 25 percent of the Town's sales tax revenues. Total principal and interest remaining to be paid on the Sales Tax Revenue Refunding Notes is \$1,991,019 at September 30, 2018. Principal and interest paid and sales tax revenues received for 2018 were \$992,760 and \$4,898,846, respectively.

Tax Increment Incentive: The Town's CRA entered into an agreement with the Harbourside developer to provide a rebate of certain tax increment funds. The amount due at September 30, 2018 has been accrued, however, the date of payment is uncertain due to current litigation between the Town and the developer (see Note N - Commitments and Contingencies).

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE G - NONCURRENT LIABILITIES (Continued)

Business-type Activities

Changes in business-type activities noncurrent liabilities for the year ended September 30, 2018 are summarized as follows:

	Balance at Beginning of Year	Additions	Retirements	Balance at End of Year	Amounts Due Within One Year
Water Revenue Bonds/Note					
Series 2010	\$ 4,080,000	\$ -	\$ 875,000	\$ 3,205,000	\$ -
Series 2013	19,630,000	-	1,950,000	17,680,000	-
Compensated absences	<u>972,265</u>	<u>48,310</u>	<u>40,580</u>	<u>979,995</u>	<u>99,000</u>
Total long-term debt	24,682,265	<u>\$ 48,310</u>	<u>\$ 2,865,580</u>	21,864,995	<u>\$ 99,000</u>
Current maturities	<u>(90,000)</u>			<u>(99,000)</u>	
Net long-term debt	<u>\$ 24,592,265</u>			<u>\$ 21,765,995</u>	

Water Revenue Refunding Note - Series 2010: On January 20, 2010, the Town issued a \$9,770,000 Water Revenue Refunding Note - Series 2010 (the "Series 2010 Note") to a financial institution to currently refund the outstanding principal balance of \$9,770,000 on the Water Revenue Refunding Bonds - Series 1998. The refunding resulted in an economic gain (the difference between the present value of the debt service payments of the refunded and refunding bonds) of \$1,090,755 and reduced the total debt service payments by \$1,307,226. The Series 2010 Note is payable from and collateralized by the proceeds from pledged net revenues of the water system (as defined in the note agreement) and connection charges.

Interest on the Series 2010 Note is payable at 3.105% on each April 1 and October 1 and principal payments are due on October 1 through maturity on October 1, 2023. The debt service requirements of the Series 2010 Note are as follows:

Year Ending September 30	Principal	Interest	Total
2019 (*)	\$ -	\$ 50,310	\$ 50,310
2020	580,000	92,019	672,019
2021	610,000	73,063	683,063
2022	640,000	53,388	693,388
2023	670,000	32,769	702,769
2024	<u>705,000</u>	<u>11,128</u>	<u>716,128</u>
	<u>\$ 3,205,000</u>	<u>\$ 312,677</u>	<u>\$ 3,517,677</u>

(*) Payment made in September 2018 for principal and interest due on October 1, 2018.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE G - NONCURRENT LIABILITIES (Continued)

Water Revenue Refunding Bonds - Series 2013: On August 9, 2013, the Town issued \$28,130,000 Water Revenue Refunding Bonds - Series 2013 (the "Series 2013 Bonds") to a financial institution to currently refund the outstanding principal balance of \$6,155,000 on the Water Revenue Refunding Bonds - Series 2002 and \$21,930,000 Water Revenue Refunding Bonds - Series 2003. The refunding resulted in an economic gain (the difference between the present value of the debt service payments of the refunded and refunding bonds) of \$2,245,124 and reduced the total debt service payments by \$8,481,910. The Series 2013 Bonds are payable from and collateralized by the proceeds from pledged net revenues of the water system (as defined in the note agreement) and connection charges.

Interest on the Series 2013 Bonds is payable at 2.336% on each April 1 and October 1 and principal payments are due each October 1 through maturity on October 1, 2029. The debt service requirements of the Series 2013 Bonds are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019 (*)	\$ -	\$ 206,482	\$ 206,482
2020	1,732,500	392,731	2,125,231
2021	1,557,000	354,313	1,911,313
2022	1,629,000	317,104	1,946,104
2023	1,623,500	279,119	1,902,619
2024 - 2028	8,135,500	827,044	8,962,544
2029 - 2030	<u>3,002,500</u>	<u>66,786</u>	<u>3,069,286</u>
	<u>\$ 17,680,000</u>	<u>\$ 2,443,579</u>	<u>\$ 20,123,579</u>

(*) Payment made in September 2018 for principal and interest due on October 1, 2018.

Pledged Utility Revenues: The Town has pledged the future net revenues (as defined in the bond resolutions and loan agreement, but generally customer revenues and connection charges, net of specified operating expenses) of the water utility system (the "System") to repay the outstanding revenue bonds and note issued to finance improvements to the System. The water revenue bonds and note are payable solely from the net revenues of the System through 2030. Annual principal and interest payments on the bonds and note are expected to require less than 30 percent of the System net revenues. Total principal and interest remaining to be paid on the water revenue bonds and note is \$23,641,256 at September 30, 2018. Principal and interest paid on the water revenue bonds and net revenues of the System for 2018 were \$3,400,428 and \$12,336,787, respectively.

Defeased Bonds: At September 30, 2018, \$1,650,000 Sales Tax Revenue Bonds - Series 1992; \$3,205,000 Water Revenue Refunding Bonds - Series 1994; \$370,000 Sales Tax Revenue Bonds - Series 1997; \$3,205,000 Water Revenue Refunding Bonds - Series 1998; \$1,680,000 Sales Tax Revenue Refunding Bonds - Series 2002; and \$17,635,000 Water Revenue Bonds - Series 2003 were outstanding and considered defeased.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE G - NONCURRENT LIABILITIES (Continued)

Capitalized Interest: The Town early adopted the provisions of GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, which requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. During the year ended September 30, 2018, the Town's Enterprise Funds incurred total interest charges of \$575,428, all of which was expensed.

Annual Maturities: The aggregate maturities for all long-term debt of the Town at September 30, 2018 are as follows:

Year Ending September 30	Principal	Interest	Total
2019	\$ 2,666,210	\$ 731,075	\$ 3,397,285
2020	5,077,431	858,695	5,936,126
2021	4,037,000	700,301	4,737,301
2022	3,314,000	555,642	3,869,642
2023	3,383,500	455,238	3,838,738
2024 - 2028	11,155,500	986,710	12,142,210
2029 - 2030	<u>3,002,500</u>	<u>66,786</u>	<u>3,069,286</u>
	<u>\$ 32,636,141</u>	<u>\$ 4,354,447</u>	<u>\$ 36,990,558</u>

NOTE H - RESTRICTED ASSETS

Cash and investments held by the Town that are subject to externally imposed restrictions on their withdrawal and use for other than current operations are reported as restricted assets. Net position is restricted to the extent that restricted assets exceed the respective liabilities payable from restricted assets and any unspent bond proceeds.

Restricted investments and the related liabilities and restricted net position/fund balance of the governmental activities and governmental funds at September 30, 2018 are summarized as follows:

Governmental Activities / Funds	Restricted Investments	Liabilities Payable From Restricted Assets	Unspent Debt Proceeds	Restricted Net Position/ Fund Balance
Restricted for:				
Environmental land acquisition	\$ 500,723	\$ -	\$ 500,723	\$ -
Economic development	<u>1,039,623</u>	<u>-</u>	<u>-</u>	<u>1,039,623</u>
Total Governmental Funds	<u>\$ 1,540,346</u>	<u>\$ -</u>	<u>\$ 500,723</u>	<u>\$ 1,039,623</u>

Restricted investments, cash and cash equivalents and the related liabilities and restricted net position of the business-type activities and enterprise funds at September 30, 2018 are summarized as follows:

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE H - RESTRICTED ASSETS (Continued)

Business-type Activities / Enterprise Funds	Restricted Investments, Cash and Cash <u>Equivalents</u>	Liabilities Payable From Restricted <u>Assets</u>	Unspent Debt <u>Proceeds</u>	Restricted Net <u>Position</u>
Debt Service Reserve Account	\$ 256,792	\$ -	\$ -	\$ 256,792
Construction Account	<u>3,988,036</u>	<u>77,186</u>	<u>-</u>	<u>3,910,850</u>
Total Enterprise Funds	<u>\$ 4,244,828</u>	<u>\$ 77,186</u>	<u>\$ -</u>	<u>\$ 4,167,642</u>

NOTE I - INTERFUND TRANSACTIONS

Interfund receivables and payables at September 30, 2018 are summarized as follows:

Receivable Fund	Payable Fund	<u>Amount</u>
General Fund	Community Redevelopment Fund	\$ 5,009,196
Community Redevelopment Fund	General Fund	75,000
Capital Improvements Fund	Community Redevelopment Fund	<u>1,491,440</u>
		<u>\$ 6,575,636</u>

The outstanding balances between funds generally result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The amount payable by the Community Redevelopment Fund is for initial working capital and property received from the General Fund and approximately \$565,000 of the balance is scheduled to be collected in the subsequent year. Interfund transfer activity for the year ended September 30, 2018, is summarized as follows:

Transfer To	Transfer From	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 3,500,000
Community Redevelopment Fund	General Fund	657,286
Capital Improvements Fund	Nonmajor Governmental Funds	19,427
Capital Improvements Fund	Building Fund	198,938
Water System Fund	Stormwater Fund	16,400
Water System Fund	Capital Improvements Fund	34,850
Stormwater Fund	Capital Improvements Fund	<u>6,920</u>
		<u>\$ 4,433,821</u>

Transfers were used to: (1) move revenue from the fund that is required to collect it to the fund that is required or allowed to expend it; and, (2) use excess revenue collected in certain funds to finance various programs and projects accounted for in other funds in accordance with budgetary authorizations.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE J - EMPLOYEE RETIREMENT PLANS

The Town of Jupiter administers one single-employer, defined benefit pension plan, the Municipal Police Officers' Retirement Trust (MPORT), which covers all sworn police officers. The Town also participates in the Florida Retirement System (FRS) Pension Plan and the Retiree Health Insurance Subsidy (HIS) Trust Fund, both of which are multiple-employer, cost-sharing, defined benefit public employee retirement plans administered by the State of Florida. FRS and HIS cover all Town employees, excluding sworn police officers covered by MPORT. The net pension liability, deferred outflows/inflows of resources related to pensions (net of Town contributions subsequent to the measurement date) and pension expense related to these retirement plans are summarized as follows at September 30, 2018:

	<u>MPORT</u>	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Net pension liability	<u>\$ 7,695,744</u>	<u>\$ 13,696,418</u>	<u>\$ 5,453,756</u>	<u>\$ 26,845,818</u>
Deferred outflows/inflows				
Deferred outflows of resources	<u>\$ 2,438,299</u>	<u>\$ 6,662,426</u>	<u>\$ 1,202,094</u>	<u>\$ 10,302,819</u>
Deferred inflows of resources	<u>\$ 2,556,105</u>	<u>\$ 1,102,047</u>	<u>\$ 750,083</u>	<u>\$ 4,408,235</u>
Pension Expense	<u>\$ 3,145,973</u>	<u>\$ 2,575,549</u>	<u>\$ 467,094</u>	<u>\$ 6,188,616</u>

Municipal Police Officers' Retirement Trust (MPORT)

The Municipal Police Officers' Retirement Trust (MPORT) is a single-employer, defined benefit pension plan. The plan is administered by the MPORT pension board consisting of five members, two of which are Town residents appointed by the Town Council; two of which are police officers elected by members of the MPORT; and, one person selected by a majority of the other four members and appointed by the Town Council. The Board has the ability to make recommendations on establishing and amending pension plan provisions which can only be authorized by the Town Council. When the Town Council adopted Ordinance 9-95 on March 21, 1995, participation in the plan became mandatory for all full-time police officers entering employment on or after April 1, 1995.

The MPORT issues a publicly available, stand-alone financial report. The MPORT financial report may be obtained by writing to the Finance Department, Town of Jupiter, 210 Military Trail, Jupiter, Florida 33458 or by calling (561) 746-5134. Membership in the MPORT was comprised of the following at October 1, 2018, the date of the latest actuarial valuation:

Active participants	96
Retirees and beneficiaries receiving benefits	56
DROP participants	19
Terminated vested employees not receiving benefits	<u>3</u>
Total	<u>174</u>

The Town is required to contribute an actuarially determined amount necessary to pay the annual normal cost of the plan plus the additional amount needed to amortize any unfunded accrued liability. Members hired prior to March 6, 2012, are referred to as "Tier One" employees and members hired on or after March 6, 2012, are referred to as "Tier Two" employees. Contributions by Plan members and the Town are established and may be amended by Town ordinance. Tier One employees, are required to contribute

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

8.78% of salary effective October 1, 2012; 9.25% of salary effective October 1, 2014; and, 10.00% of salary effective October 1, 2015. Tier Two employees are required to contribute 10.00% of salary. Pursuant to Florida Statutes, Chapter 185, the State collects a tax on insurance premiums for property and casualty coverage and annually remits a contribution to the MPORT. Administrative costs of the MPORT are financed through investment earnings.

Retirement and Other Benefits

The MPORT provides retirement, death, and disability benefits for its members. Tier One employees may retire with normal benefits after the earlier of: (1) age 60; (2) age 55 with 10 years of credited service; or (3) when the total of the member's age, computed in terms of full months, plus the member's credited service, computed in terms of full months, equals 780 months. Tier Two employees may retire with normal benefits after the earlier of: (1) age 55 with 10 years of credited service; or (2) when the total of the member's age, computed in terms of full months, plus the member's credited service, computed in terms of full months, equals 840 months and the member has 25 years of credited service.

Normal retirement benefits are 3.0% (2.75% for Tier Two employees) of the member's average monthly salary multiplied by years of credited service at the normal retirement date (limited to 25 years for Tier Two employees). Average monthly salary for purposes of calculating benefits is the average of covered salary over the highest three years out of the last ten years of credited service. Reduced early retirement benefits are available once a member reaches age 50 and accumulates 10 years of credited service.

The early retirement benefit for Tier One employees is equal to the accrued benefit reduced by 3.0%, multiplied by the number of years by which the starting date of the benefit precedes age 55. For Tier Two employees, the early retirement benefit is equal to the accrued benefit reduced by 3.0% for every 24 months by which the starting date of the benefit precedes 840 months. The accrued benefit is that portion of a member's normal retirement benefit earned at any point in time. A supplemental benefit of \$100 per month is available for members, plus for members who retire on or after October 1, 2001, a monthly benefit equal to the lesser of (1) \$150 or (2) the greater of (a) \$30 or (b) \$5 multiplied by credited service. The supplemental benefit is reduced for early retirement. Members in DROP are not eligible to receive supplemental benefits until their DROP participation ends.

Eligibility for disability benefits begins from the member's date of hire. The amount of the monthly benefit due to a total and permanent disability is: (1) the greater of (a) 60% of the covered salary at the time of the member's disability or (b) the monthly income payable for ten years certain that can be provided by the single sum value of his/her accrued benefit; plus (2) the supplemental benefit. This benefit is payable until the member's death or recovery. Effective March 6, 2012, members with a disability not incurred in the line of duty are eligible for Disability Retirement benefits after completion of 10 years of service.

Deferred Retirement Option Plan (DROP)

Tier One Members are eligible to enter DROP at the Tier One Normal Retirement Date. Tier Two Members are eligible to enter DROP the first of the month coincident with or next following the earlier of: (1) the Tier Two Normal Retirement Date, or, (2) 22 years of Credited Service regardless of age with no reduction in the Tier Two Accrued Benefit for DROP entry prior to the Tier Two Normal Retirement Date.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

The Accrued Benefit is frozen at DROP entry and accumulates in DROP. Participants in DROP are not eligible for death or disability benefits. The Supplemental Benefit is not payable while a Member is in DROP. The maximum DROP participation duration was extended from 5 years to 8 years effective March 6, 2012. Members in the DROP on March 6, 2012 were allowed to elect the 8 year DROP by agreeing to pay contributions at the employee contribution rate in effect at DROP entry for the remainder of the initial 5 years of DROP participation with 1/3 of these contributions credited to the members' DROP account. None of the members in DROP on March 6, 2012 exercised this option.

For Tier One members who enter DROP after March 6, 2012, employee contributions continue at the rate in effect on the date of entry into DROP for the first four years of DROP participation with 1/3 of these contributions credited to the members' DROP account. For Tier Two DROP entrants, employee contributions continue for all years of DROP participation with 1/4 of these contributions credited to the members' DROP account. Tier Two maximum DROP participation is based on creditable years of service.

The balance of amounts held under DROP was \$5,288,337 at September 30, 2018.

Summary of Significant Accounting Policies

The financial statements of the MPORT are prepared using the economic resources measurement focus and the accrual basis of accounting. Employee and employer contributions are recognized in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Other expenses are recognized when the corresponding liabilities are incurred. Investment income is recognized as revenue when earned. Investments are reported at fair value. Money market mutual funds are reported at amortized cost, which approximates fair value, and are classified as investments in the financial statements. Investment securities are valued at the closing price reported on the national exchange on which the individual securities are actively traded. Securities that are not actively traded are valued using a matrix pricing technique based on the securities' relationship to quoted benchmark prices. Net asset values of commingled real estate funds are determined by the fund managers using the fair values of the underlying investments of the fund. Net appreciation or depreciation in the fair value of investments includes the difference between the fair value and cost of the investments held, as well as the net realized and unrealized gains and losses for securities sold during the period. Interest and dividend income are recognized on the accrual basis when earned. Purchases and sales of investments are recorded on a trade date basis. Investment earnings are reduced for investment related expenses, such as management fees, portfolio evaluation and custodial services. Benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms.

Investments

Investment Policy: The policy in regard to the allocation of invested assets is established and may be amended by a majority vote of the Board of MPORT. It is the policy of the MPORT Board to pursue an investment strategy that reduces risk through the prudent diversification of the investment portfolio across a broad selection of distinct asset classes. The investment policy of MPORT discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

allocations over short time spans. There were no changes in the investment policy of MPORT for the year ended September 30, 2018.

The asset allocation policy adopted by the MPORT Board at September 30, 2018 was as follows:

Asset Class	
Domestic equity	32%
International equity	15
Bonds	24
Treasury inflation-protected securities (TIPS)	5
Convertible securities	8
Private real estate	5
Infrastructure	5
Real estate investment trusts (REITs)	5
Cash	<u>1</u>
Total	<u><u>100%</u></u>

Rate of Return: For the year ended September 30, 2018, the annual money-weighted rate of return on MPORT's investments, net of investment expenses, was 7.5%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability for MPORT for the most recent actuarial valuation as of October 1, 2018, were as follows:

Total pension liability	\$ 83,052,751
Plan fiduciary net position	<u>(75,357,007)</u>
Net pension liability	<u>\$ 7,695,744</u>
Plan fiduciary net position as a percentage of the total pension liability	<u><u>90.7%</u></u>

Actuarial Assumptions: The net pension liability of the MPORT was determined by an actuarial valuation as of October 1, 2018, using the following significant actuarial assumptions:

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Pay - Closed Amortization
Amortization period	20 years
Asset valuation method	5 year smoothed market value
Investment rate of return (net of expenses, with inflation)	7.4%
Payroll growth	0.0%
Projected salary increases attributable to:	
Salary increases, including inflation	5.00% - 12.27%
Inflation	2.75%
Cost of living adjustments	3.0%
Mortality rates	Florida Retirement System Special Risk Employees' tables

Changes in Actuarial Assumptions: The actuarial assumptions used in the October 1, 2018 actuarial valuation of the Plan were changed from the prior actuarial valuation for: 1) the investment rate of return (discount rate) was decreased to 7.4% from 7.5%; 2) payroll growth was decreased to 0.0% from 1.4%; and, 3) the assumption for line-of-duty death was reduced to 25% from 75%. Florida Statutes Section 112.64(5)(a) requires the payroll growth assumption not to exceed the average payroll growth for the prior ten years. The revised assumption for line-of-duty death was made to correspond to the FRS assumption.

The long-term expected rate of return on investments of the pension plans was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce a long-term expected rate of return of 7.4% by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target allocation as of September 30, 2018 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	
Domestic equity	8.12%
International equity	3.38
Bonds	3.55
Treasury inflation-protected securities (TIPS)	2.72
Convertible securities	6.68
Private real estate	4.87
Infrastructure	6.30
Real estate investment trusts (REITs)	6.79
Cash	.69

Discount Rate: The discount rate used to measure the total pension liability was 7.4% and was based on the expected rate of return on investments of the plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, MPORT's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of the pension plan was applied to all periods of projected benefit payments to determine the projected total pension liability.

Changes in the Net Pension Liability

The changes in the MPORT net pension liability were as follows for the year ended September 30, 2018:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at October 1, 2017	\$ 77,908,140	\$ 69,605,542	\$ 8,302,598
Changes for the Current Year			
Service cost	2,521,070	-	2,521,070
Interest	5,878,440	-	5,878,440
Benefit change	132,470	-	132,470
Difference between actual and expected experience	(986,328)	-	(986,328)
Assumption changes	850,361	-	850,361
Contributions - Town	-	2,476,765	(2,476,765)
Contributions - State of Florida	-	743,715	(743,715)
Contributions - employee	-	991,404	(991,404)
Net investment income	-	4,933,798	(4,933,798)
Benefit payments, including refunds of employee contributions	(3,251,402)	(3,251,402)	-
Administrative expenses	-	(142,815)	142,815
Net Changes	<u>5,144,611</u>	<u>5,751,465</u>	<u>(606,854)</u>
Balances at September 30, 2018	<u>\$ 83,052,751</u>	<u>\$ 75,357,007</u>	<u>\$ 7,695,744</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following table presents the net pension liability of MPORT, calculated using the discount rate of 7.4%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.4%) or one percentage point higher (8.4%) than the current rate:

1.0% Decrease (6.4%)	Current Discount Rate (7.4%)	1.0% Increase (8.4%)
<u>\$ 16,871,806</u>	<u>\$ 7,695,744</u>	<u>\$ 85,965</u>

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

Pension Expense and Deferred Inflows/Outflows of Resources Related to Pensions

For the year ended September 30, 2018, the Town recognized pension expense of \$3,145,973 for MPORT. At September 30, 2018, the Town reported deferred inflows/outflows of resources related to MPORT pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 441,332	\$ 1,430,270
Changes in assumptions	680,892	29,906
Net difference between projected and actual investment earnings on pension plan investments	1,316,075	1,095,929
Total	\$ 2,438,299	\$ 2,556,105

Amounts reported as deferred inflows/outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30,	Amount
2019	\$ 764,000
2020	(581,260)
2021	(346,062)
2022	45,516

State of Florida Pension Plans

All regular, full-time employees of the Town, except police officers, are required to participate in the Florida Retirement System ("FRS") Pension Plan and the Retiree Health Insurance Subsidy ("HIS") Trust Fund administered by the Florida Department of Management Services, Division of Retirement. FRS and HIS are cost-sharing, multiple-employer defined benefit pension plans with approximately 1,000 participating employers. FRS and HIS were established and are administered in accordance with Chapter 121 and Section 112.363, Florida Statutes, respectively.

FRS includes a Deferred Retirement Option Program (DROP) available for eligible employees. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation is optional for cities, municipalities, special districts, charter schools and metropolitan planning organizations.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

HIS membership is optional and available to all retirees under the state-administered retirement system, provided the retiree provides proof of health insurance coverage, which can include Medicare. Participation is compulsory for cities, municipalities, special districts, charter schools and metropolitan planning organizations that participate in FRS.

Benefits Provided: FRS provides retirement, survivor and disability benefits to plan members and beneficiaries. Pension benefits of FRS are established by Florida Statutes, Chapter 121, and may be amended by the Florida Legislature. Retirement benefits are computed on the basis of age and/or years of service, average final compensation and service credit. Members initially enrolled on or after July 1, 2001, through June 30, 2011, vest after six years of creditable service. Members initially enrolled on or after July 1, 2011, vest after eight years of creditable service. HIS provides retirees and beneficiaries a monthly benefit equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The monthly benefit payment is established by Section 112.363, Florida Statutes and is at least \$30, but not more than \$150.

Town Contributions: FRS members are required to contribute 3.0% and no contribution is required for HIS members. Participating governments, including the Town, contribute to FRS at actuarially determined rates for various classes of employees, which are presently 6.60% of annual covered payroll for employees covered in the regular class, 22.40% for senior management class, 22.84% for special risk class, 47.04% for elected officials and 12.37% for employees covered in the FRS DROP program. Participating governments, including the Town, also contribute to HIS based on a percentage of gross compensation for all active FRS members, which is presently 1.66%. The Town's contributions to FRS and HIS for the year ended September 30, 2018 were \$1,598,982, which was equal to 100% of the required contributions for the year.

Funding Policy: FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due based upon plan assumptions. HIS uses a pay-as-you-go funding policy based on monthly employer contributions at a flat percentage of gross compensation for all active FRS members. Employer and employee contribution rates are established by State law as a level percentage of payroll. Employer contribution rates are determined using the entry-age actuarial cost method. The consulting actuary recommends rates based on the annual valuation, but actual contribution rates are established by the Florida Legislature.

Publicly Available Financial Report: The State of Florida issues a publicly available financial report for FRS and HIS that includes financial statements and required supplementary information. The complete financial report is available on the Publications page of the Division of Retirement's website at www.frs.myflorida.com or by writing to the Research and Education Section at P.O. Box 9000, Tallahassee, Florida, 32315-9000 or by calling toll free 877-377-1737 or 850-488-5706.

Summary of Significant Accounting Policies: The financial statements of FRS and HIS are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. Employee contributions are recognized in the period of time for which the contributions are assessed. Employer contributions are recognized in the period in which employee services are performed. Benefit payments,

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

including refunds of employee contributions, are recognized when due and payable in accordance with the terms of FRS and HIS. Other expenses are recognized when the corresponding liabilities are incurred. Investment income is recognized as revenue when earned. Investments are reported at fair value and are managed by external investment managers.

The independent investment custodian for FRS and HIS determines the fair value of securities using various third party pricing sources. For private market investments, where no readily ascertainable market value exists, fair values are based on net asset value (capital account balance) provided by investment managers at the closest available reporting period and adjusted for subsequent contributions and distributions. The net appreciation (depreciation) in fair value of investments is recorded as an increase (decrease) to investment income based on the valuation of investments. Investment earnings are net of investment related expenses, such as management fees, portfolio evaluation and custodial services. For purposes of measuring the net pension liability, deferred inflows/outflows of resources related to pensions, and pension expense, information about the fiduciary net position of FRS and HIS and the additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by FRS and HIS.

Payables to FRS and HIS: There were no amounts payable to FRS or HIS by the Town at September 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Inflows/Outflows of Resources Related to FRS and HIS Pensions

At September 30, 2018, the Town reported a liability of \$13,696,418 and \$5,453,756 for its proportionate share of the net pension liability of FRS and HIS, respectively. The net pension liability of each plan was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 for FRS and July 1, 2018 for HIS. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, as actuarially determined. At June 30, 2018, the Town's FRS proportion was 0.045472054 percent, which was a decrease of 0.000011423 percent from its proportion measured as of June 30, 2017 and the HIS proportion was 0.051527758 percent, which was a decrease of 0.000823222 percent from its proportion measured as of June 30, 2017.

For the year ended September 30, 2018, the Town recognized pension expense of \$3,042,643 for FRS and HIS. At September 30, 2018, the Town reported deferred outflows and inflows of resources related to FRS pensions from the following sources:

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 1,160,293	\$ 42,113
Changes in assumptions	4,475,323	-
Net difference between projected and actual investment earnings on pension plan investments	-	1,058,215
Changes in proportion and differences between Town contributions and proportionate share of contributions	647,518	1,719
Town contributions subsequent to the measurement date	<u>315,015</u>	<u>-</u>
Total	<u>\$ 6,598,149</u>	<u>\$ 1,102,047</u>

At September 30, 2018, the Town reported deferred outflows and inflows of resources related to HIS pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 83,495	\$ 9,266
Changes in assumptions	606,525	576,617
Net difference between projected and actual investment earnings on pension plan investments	3,292	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	508,782	164,200
Town contributions subsequent to the measurement date	<u>64,281</u>	<u>-</u>
Total	<u>\$ 1,266,375</u>	<u>\$ 750,083</u>

Deferred outflows of resources related to FRS and HIS pensions of \$379,296 resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2019. Other amounts reported as deferred inflows/outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending September 30,</u>	<u>FRS Amount</u>	<u>HIS Amount</u>
2019	\$ 1,864,794	\$ 132,461
2020	1,306,822	132,183
2021	274,835	109,800
2022	906,136	69,192
2023	641,559	(15,583)
Thereafter	186,941	23,958

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

Actuarial Assumptions: The total pension liability for FRS and HIS was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	FRS	HIS
Valuation date	July 1, 2018	July 1, 2018
Measurement date	June 30, 2018	June 30, 2018
Actuarial cost method	Individual Entry Age	Individual Entry Age
Amortization method	Level percent of pay, closed	Level percent of pay, closed
Equivalent single amortization period	30 years	30 years
Asset valuation method	5 year smoothed	Market value
Discount rate	7.00%	3.87%
Inflation	2.60%	2.60%
Salary increases, including inflation	3.25%	3.25%
Long-term expected rate of return, net of investment expenses	7.00%	N/A
Municipal bond rate	N/A	3.87%
Cost of living adjustments	3% pre-July 2011, 0% thereafter	N/A
Mortality rates	Mortality rates Generational RP-2000 with Projection Scale BB	Mortality rates Generational RP-2000 with Projection Scale BB

The actuarial assumptions used in the July 1, 2018 valuation of FRS were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2013. As a result of the actuarial experience study, the expectation of life after disability was adjusted in the June 30, 2014 actuarial valuation to more closely reflect actual experience.

The long-term expected rate of return on FRS investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class are as follows:

Changes in Actuarial Assumptions: The discount rate for FRS changed from 7.10% for 2017 to 7.00% for 2018. The discount rate for HIS changed from 3.58% for 2017 to 3.87% for 2018.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

Asset Class	<u>Long-Term Expected Real Rate of Return</u>
Cash	2.9%
Fixed income	4.3
Global equity	6.3
Private equity	7.8
Strategic investments	5.7
Real estate (property)	6.0

Discount Rate: The discount rate used to measure the total pension liability of FRS at June 30, 2018 was 7.0% for FRS and 3.87% for HIS. The FRS discount rate was based on the expected rate of return on FRS investments. The HIS discount rate was based on the municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the fiduciary net position of FRS was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on investments of FRS was applied to all periods of projected benefit payments to determine the projected total pension liability. Because HIS uses a pay-as-you-go funding structure, a municipal bond rate of 3.87% was used to determine the total pension liability.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following table presents the Town's proportionate share of the net pension liability of FRS and HIS at June 30, 2018, calculated using the current discount rate, 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 or one percentage point higher than the current rate:

FRS			HIS		
1.0% Decrease (6.00%)	Current Discount Rate (7.00%)	1.0% Increase (8.00%)	1.0% Decrease (2.87%)	Current Discount Rate (3.87%)	1.0% Increase (4.87%)
\$ 24,996,538	\$ 13,696,418	\$ 4,311,001	\$ 6,211,508	\$ 5,453,756	\$ 4,822,125

Pension Plan Fiduciary Net Position: Detailed information about the fiduciary net position of FRS is available in the separately issued FRS financial report, which is available on the Publications page of the Division of Retirement's website at www.frs.myflorida.com.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE K - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Description of the Plan

The Town administers a single-employer defined benefit health care plan (the "Plan") that provides health care benefits to eligible retired employees and their beneficiaries. The Town Council has the authority to establish and amend the premiums for and the benefit provisions of the Plan. The Plan is financed on a "pay-as-you-go" basis and is not administered as a formal qualifying trust. The Plan does not issue a publicly available financial report.

The Town is required by Florida Statute 112.0801 to allow retirees to buy healthcare coverage at the same group insurance rates that current employees are charged, resulting in an *implicit* healthcare benefit. The State of Florida prohibits the Plan from separately rating retirees and active employees. The Plan therefore charges both groups an equal, blended rate premium. Although both groups are charged the same blended rate premium, GAAP requires the actuarial figures to be calculated using age adjusted premiums approximating claim costs for retirees separate from active employees. The use of age adjusted premiums results in the addition of the implicit rate subsidy into the actuarial accrued liability. Plan members receiving benefits contribute 100% of the monthly premium ranging from a minimum of \$305 for single coverage to a maximum of \$703 for single plus spousal coverage.

Plan Membership

Membership in the Plan was comprised of the following at September 30, 2018, the date of the latest actuarial valuation:

Active employees	372
Retirees and beneficiaries receiving benefits	17
Inactive employees	<u>0</u>
Total	<u><u>389</u></u>

Total OPEB Liability

The Town's total OPEB liability of \$3,100,285 was measured as of September 30, 2018, and was determined by an actuarial valuation as of that date.

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	September 30, 2018
Actuarial cost method	Entry Age Normal
Post-retirement benefit increases	None
Health care cost trend rates	7.0% per year initially, reduced annually by .5% to an ultimate rate of 4.5%

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE K - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Amortization method	Level Percent of Projected Salary - Closed
Remaining amortization period	10.5 years
Asset valuation method	N/A ⁽¹⁾
Actuarial assumptions:	
Discount rate - beginning of year	3.63% ⁽²⁾
- end of year	4.24% ⁽²⁾
Projected salary increases*	3.5%
* Includes inflation rate	2.0%
Mortality rates	RP-2014 generational table using scale MP-18 applied on a gender specific basis

- (1) The plan is funded on a pay-as-you-go basis and is not administered as a formal qualifying trust. There were no plan assets as of September 30, 2018, the date of the most recent valuation.
- (2) Since there are currently no invested plan assets held in trust to finance the OPEB obligation, the discount rate is the long-term expected rate of return on tax-exempt, high quality municipal bonds based on the *Bond Buyer 20-Bond GO Index*.

Changes in the Total OPEB Liability

The changes in the total OPEB liability were as follows for the year ended September 30, 2018:

Total OPEB liability at October 1, 2017	\$ 3,148,280
Changes for the Current Year	
Service cost	167,430
Interest	118,110
Changes in assumptions and other inputs	(209,355)
Benefit payments	<u>(124,180)</u>
Net Changes	<u>(47,995)</u>
Total OPEB liability at September 30, 2018	<u>\$ 3,100,285</u>

Changes in assumptions and other inputs reflect the change in the discount rate from 3.63% to 4.24% for the year ended September 30, 2018.

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 4.24%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.24%) or one percentage point higher (5.24%) than the current rate:

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE K - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

1.0% Decrease <u>(3.24%)</u>	Current Discount Rate <u>(4.24%)</u>	1.0% Increase <u>(5.24%)</u>
<u>\$ 3,454,000</u>	<u>\$ 3,100,285</u>	<u>\$ 2,795,000</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate: The following table presents the total OPEB liability of the Town calculated using the current healthcare cost trend rate of 7.0%, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate:

1.0% Decrease <u>(6.0%)</u>	Current Trend Rate <u>(7.0%)</u>	1.0% Increase <u>(8.0%)</u>
<u>\$ 2,572,000</u>	<u>\$ 3,100,285</u>	<u>\$ 3,764,000</u>

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

For the year ended September 30, 2018, the Town recognized OPEB expense of \$267,407. At September 30, 2018, the Town reported deferred inflows/outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Changes in assumptions and other inputs	<u>\$ -</u>	<u>\$ 191,223</u>

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

<u>Year Ending September 30,</u>	<u>Amount</u>
2019	\$ (18,132)
2020	(18,132)
2021	(18,132)
2022	(18,132)
2023	(18,132)
Thereafter	(100,563)

TOWN OF JUPITER, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE L - 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 is also subject to risk of loss arising in the ordinary course of business, including, but not limited to, claims for damages for personal injuries, employment-related claims, and breach of contract. Commercial insurance is purchased for certain specialized insurance coverages, including, but not limited to property, equipment, general liability, automobile, professional liability, and workers compensation. The Town uses the General Fund to account for all commercial insurance and retained risks of loss.

On January 1, 2015, the Town entered into a partially self-insured health plan with Cigna Health and Life Insurance Company as the third-party administrator. The Town is self-insured up to a stop loss of \$100,000 per claim and has purchased excess insurance for claims exceeding the stop loss for individual and aggregate claims from Cigna Health and Life Insurance Company.

The Town has recorded a claims liability of \$93,751 (all current) at September 30, 2018. This claims liability reflects claims development for group health insurance. The liability falls within the actuarially determined range, from a valuation for all claims based upon the date the loss was incurred and includes a provision for claims incurred but not yet reported (IBNR).

The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated annually to consider the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, such as those from subrogation, are also considered in the claims liability estimate. The following summarizes the claims liability activity for 2018 and 2017:

<u>Fiscal Year Ended September 30,</u>	<u>Beginning of Fiscal Year</u>	<u>Claims Expense</u>	<u>Claims Paid</u>	<u>End of Fiscal Year</u>
2017	\$ 152,408	\$ 4,074,762	\$ (4,015,360)	\$ 211,810
2018	211,810	4,227,468	(4,345,527)	93,751

For each of the past three years, there have been no settlements that have exceeded the Town's insurance coverage. The claims liability at September 30, 2018 was all current.

As a political subdivision of the State of Florida, the Town has sovereign immunity under the Florida Constitution for tort actions. Therefore, in accordance with Chapter 768.28 Laws of Florida, the Town is not liable to pay a claim or judgment, or any portions thereof, which when totaled with all other claims or judgments paid by the State or its agencies or subdivisions arising out of the same incident or occurrence, exceeds the aggregate sum of \$300,000. Chapter 768.28 also provides that judgments may be claimed or rendered in excess of these limits; however, these amounts must be reported to and approved by the Florida Legislature.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE M - FUND DEFICIT

The Community Redevelopment Fund had a deficit fund balance of \$4,720,286 at September 30, 2018. The majority of this amount represents a loan from the General Fund used to fund expenditures for property acquired in the CRA district. The loan will be paid from future tax increment revenues. In the event the future tax increment revenues are not sufficient, the Town plans to transfer funds from the General Fund to cover the deficit.

NOTE N - COMMITMENTS AND CONTINGENCIES

Contract Commitments: The Town has uncompleted construction contracts for improvements to the water system, stormwater system, infrastructure and other improvements. The water system and stormwater system construction is funded primarily from capital contributions. General revenues and impact fees fund the infrastructure and other improvements. At September 30, 2018, the remaining commitments on all uncompleted contracts were \$1,996,116. The outstanding contract commitments at September 30, 2018, are summarized as follows:

	Contract Amount	Payments	Retainage Payable	Remaining Contract Commitment
Capital Improvements Fund	\$ 2,465,600	\$ 2,236,044	\$ 120,937	\$ 108,619
Water System Fund	2,054,227	834,035	77,186	1,143,006
Stormwater Fund	920,866	188,082	18,293	714,491
	\$ 5,440,693	\$ 3,258,161	\$ 216,416	\$ 1,996,116

In addition to the above contract commitments, the Town awarded a construction contract in July 2018 for upgrades to the Town's municipal complex, including the construction of a new Police Department facility and Data Center for the Town's information technology infrastructure. Final approval of the construction phase of the contract is subject to the contractor providing a guaranteed maximum price for the project that is acceptable to the Town Council. The project is currently in the design phase and approval is expected in early 2019. The Town has budgeted approximately \$35 million for the proposed project that is expected to be completed in phases through the year 2022.

Harbourside Tax Increment Incentive Agreement The Harbourside Development ("Harbourside") is a \$150 million, Town Center project completed in 2014 and located on approximately 10 acres of waterfront property along the Intracoastal Waterway within the boundaries of the Town's Community Redevelopment Agency (CRA). Pursuant to State statutory authority for public-private partnerships to rehabilitate and develop properties within a Community Development Area, the Town's CRA entered into a tax incentive agreement with the Harbourside developer to provide a rebate of the tax increment funds received by the CRA in future years equal to 50% of the tax increment revenue from the economic development of the Harbourside property, up to \$350,000 annually, for a period of 15 years following completion. The third annual rebate of tax increment funds to the developer was calculated to be \$240,661 for the fiscal year ended September 30, 2018. The total liability of \$704,510, which includes the annual rebate for all years through September 30, 2018, was accrued in the Community Redevelopment Fund at September 30, 2018, but was not paid by the CRA due to current litigation between the Town and the developer.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE N - COMMITMENTS AND CONTINGENCIES (Continued)

Cost Sharing Agreement: The Town entered into an agreement with the City of Palm Beach Gardens, Florida, ("PBG") and the Town of Juno Beach, Florida, ("Juno") to share costs related to public safety dispatch services. The agreement is for a five-year period ending September 30, 2021. The Dispatch Services are provided by PBG which operates the dispatch center. Each municipality's share of the operating costs are based upon the percentage of each municipality's population as compared to the total population of all the contracting municipalities being served. The Town's costs related to the agreement were approximately \$1,893,000 for the year ended September 30, 2018.

Economic Development Loan Guarantees: In 2006, the Town established a \$3 million economic development initiative to assist biotechnology businesses in relocating to or expanding in northern Palm Beach County and generating jobs for north county residents. The Town's program provides direct loans and loan guarantees to qualifying companies. Generally, the companies negotiate financing for their proposed project with a participating local financial institution and the Town provides a loan guarantee in the form of a certificate of deposit pledged by the Town to the financial institution. The lender has the right to immediately draw against the pledged certificate of deposit in the event of a default by the borrower with the covenants and obligations of the loan. At September 30, 2018, the Town had pledged certificates of deposit totaling approximately \$1,040,000 to a financial institution as collateral for outstanding loan guarantees of approximately \$952,000 under the economic development program. The outstanding loan guarantees expire through 2020, at which time the pledged certificates of deposit mature and the funds will be released to the Town.

Infrastructure Equity: Beginning in 2012, the Town entered into agreements with various homeowner associations (HOA) for the maintenance of certain rights of way including streets, sidewalks and storm drainage infrastructure items within the HOA developments. The HOAs transferred title of these infrastructure right of way assets to the Town, which were recognized as contributed capital and capital assets. The HOAs agreed to make payments to the Town annually over a period of 4 to 10 years, in amounts ranging from \$2,465 to \$33,025 to compensate the Town for the cost of maintaining the right of way assets.

Litigation: The Town is a defendant in lawsuits arising in the ordinary course of normal operations. Although the ultimate outcome of these lawsuits cannot be determined at the present time, it is the opinion of management based upon consultation with legal counsel, that the outcome of these actions will not materially affect the financial position of the Town.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF JUPITER, FLORIDA

BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND - GAAP BASIS

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 29,615,729	\$ 29,615,729	\$ 29,850,650	\$ 234,921
Franchise fees	4,899,000	4,899,000	4,780,075	(118,925)
Licenses and permits	611,000	611,000	797,535	186,535
Intergovernmental revenue	2,652,045	2,652,045	3,012,564	360,519
Charges for services	5,797,735	6,051,863	6,359,823	307,960
Cost allocation	1,647,133	1,647,133	1,647,133	-
Fines and forfeitures	189,500	189,500	317,617	128,117
Investment earnings	559,767	559,767	685,407	125,640
Donations	15,000	15,000	23,106	8,106
Miscellaneous	136,000	206,224	458,952	252,728
Total Revenues	46,122,909	46,447,261	47,932,862	1,485,601
Other Financing Sources				
Sale of capital assets	-	-	44,891	44,891
Appropriated fund balance	-	1,601,366	-	(1,601,366)
Transfers	3,800,000	3,800,000	3,500,000	(300,000)
Total Other Financing Sources	3,800,000	5,401,366	3,544,891	(1,856,475)
Total Revenues and Other Financing Sources	\$ 49,922,909	\$ 51,848,627	\$ 51,477,753	\$ (370,874)

(Continued)

TOWN OF JUPITER, FLORIDA

BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND - GAAP BASIS (Continued)

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT				
Town Council				
Personal services	\$ 62,504	\$ 62,504	\$ 59,574	\$ 2,930
Operating expenditures	166,861	164,861	164,990	(129)
Donations	40,000	47,000	46,500	500
	<u>269,365</u>	<u>274,365</u>	<u>271,064</u>	<u>3,301</u>
Town Manager				
Personal services	642,220	627,639	529,033	98,606
Operating expenditures	35,300	50,381	41,808	8,573
	<u>677,520</u>	<u>678,020</u>	<u>570,841</u>	<u>107,179</u>
Town Clerk				
Personal services	488,389	488,389	489,044	(655)
Operating expenditures	78,612	78,612	46,727	31,885
	<u>567,001</u>	<u>567,001</u>	<u>535,771</u>	<u>31,230</u>
Neighborhood				
Personal services	282,477	282,477	278,820	3,657
Operating expenditures	88,580	126,956	53,346	73,610
	<u>371,057</u>	<u>409,433</u>	<u>332,166</u>	<u>77,267</u>
External Affairs				
Personal services	611,311	611,311	604,325	6,986
Operating expenditures	180,486	180,486	164,836	15,650
	<u>791,797</u>	<u>791,797</u>	<u>769,161</u>	<u>22,636</u>
Finance				
Personal services	870,567	870,567	873,252	(2,685)
Operating expenditures	39,643	39,643	28,040	11,603
	<u>910,210</u>	<u>910,210</u>	<u>901,292</u>	<u>8,918</u>
Business Development				
Personal services	323,504	323,504	298,439	25,065
Operating expenditures	17,948	37,517	14,794	22,723
	<u>341,452</u>	<u>361,021</u>	<u>313,233</u>	<u>47,788</u>
Town Attorney				
Operating expenditures	350,320	350,320	288,676	61,644

(Continued)

TOWN OF JUPITER, FLORIDA

BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND - GAAP BASIS (Continued)

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Information Systems				
Personal services	\$ 1,317,185	\$ 1,317,185	\$ 1,099,241	\$ 217,944
Operating expenditures	1,418,053	1,460,707	1,268,125	192,582
Capital outlay	69,978	99,761	70,917	28,844
	<u>2,805,216</u>	<u>2,877,653</u>	<u>2,438,283</u>	<u>439,370</u>
Human Resources				
Personal services	556,928	556,928	495,204	61,724
Operating expenditures	221,385	236,909	136,586	100,323
	<u>778,313</u>	<u>793,837</u>	<u>631,790</u>	<u>162,047</u>
Planning and Zoning				
Personal services	1,594,664	1,594,664	1,512,736	81,928
Operating expenditures	317,676	317,676	262,829	54,847
	<u>1,912,340</u>	<u>1,912,340</u>	<u>1,775,565</u>	<u>136,775</u>
Other General Government				
Personal services	10,000	10,000	2,348	7,652
Operating expenditures	7,011,067	7,558,448	7,038,111	520,337
	<u>7,021,067</u>	<u>7,568,448</u>	<u>7,040,459</u>	<u>527,989</u>
Total General Government	<u>16,795,658</u>	<u>17,494,445</u>	<u>15,868,301</u>	<u>1,626,144</u>
PUBLIC SAFETY				
Code Compliance				
Personal services	589,171	589,171	548,708	40,463
Operating expenditures	107,126	112,347	72,666	39,681
Capital outlay	23,353	66,361	66,171	190
	<u>719,650</u>	<u>767,879</u>	<u>687,545</u>	<u>80,334</u>
Police				
Personal services	17,584,097	17,539,097	17,585,951	(46,854)
Operating expenditures	3,596,397	4,096,207	3,874,035	222,172
Capital outlay	15,000	255,035	207,805	47,230
	<u>21,195,494</u>	<u>21,890,339</u>	<u>21,667,791</u>	<u>222,548</u>
Total Public Safety	<u>21,915,144</u>	<u>22,658,218</u>	<u>22,355,336</u>	<u>302,882</u>

(Continued)

TOWN OF JUPITER, FLORIDA

BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND - GAAP BASIS (Continued)

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
ENGINEERING AND PUBLIC WORKS				
Engineering				
Personal services	\$ 1,327,727	\$ 1,327,727	\$ 1,299,938	\$ 27,789
Operating expenditures	69,720	259,865	205,019	54,846
Capital outlay	33,000	22,650	22,606	44
	<u>1,430,447</u>	<u>1,610,242</u>	<u>1,527,563</u>	<u>82,679</u>
Public Works				
Personal services	3,228,424	3,228,424	3,230,367	(1,943)
Operating expenditures	2,864,480	2,903,923	2,616,675	287,248
Capital outlay	73,900	261,853	44,737	217,116
	<u>6,166,804</u>	<u>6,394,200</u>	<u>5,891,779</u>	<u>502,421</u>
Total Engineering and Public Works	<u>7,597,251</u>	<u>8,004,442</u>	<u>7,419,342</u>	<u>585,100</u>
CULTURE AND RECREATION				
Parks and Recreation				
Personal services	1,664,646	1,708,708	1,582,558	126,150
Operating expenditures	1,057,627	1,051,822	911,821	140,001
Capital outlay	234,000	272,409	272,172	237
Total Culture and Recreation	<u>2,956,273</u>	<u>3,032,939</u>	<u>2,766,551</u>	<u>266,388</u>
Total Expenditures	<u>49,264,326</u>	<u>51,190,044</u>	<u>48,409,530</u>	<u>2,780,514</u>
Other Financing Uses				
Transfers out	658,583	658,583	657,286	1,297
	<u>658,583</u>	<u>658,583</u>	<u>657,286</u>	<u>1,297</u>
Total Expenditures and Other Financing Uses	<u>49,922,909</u>	<u>51,848,627</u>	<u>49,066,816</u>	<u>2,781,811</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	2,410,937	<u>\$ 2,410,937</u>
Reconciliation to GAAP basis statements:				
Insurance expenditures over reimbursements			(233,930)	
Net change in fund balance - GAAP basis			<u>\$ 2,177,007</u>	

See notes to budgetary comparison schedules.

TOWN OF JUPITER, FLORIDA

BUDGETARY COMPARISON SCHEDULE -
COMMUNITY REDEVELOPMENT FUND - GAAP BASIS

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,936,957	\$ 1,936,957	\$ 1,273,965	\$ (662,992)
Intergovernmental	-	225,000	-	(225,000)
Charges for services	92,036	92,036	91,536	(500)
Investment earnings	1,000	1,000	9,664	8,664
Donations	610,000	610,000	-	(610,000)
Miscellaneous	-	-	21,250	21,250
Total Revenues	<u>2,639,993</u>	<u>2,864,993</u>	<u>1,396,415</u>	<u>(1,468,578)</u>
EXPENDITURES				
General government				
Personal services	215,765	215,765	135,916	79,849
Operating expenditures	1,017,505	1,029,740	641,980	387,760
Capital outlay	2,212,364	1,297,680	29,581	1,268,099
Interest and fiscal charges	205,752	205,752	202,707	3,045
Total Expenditures	<u>3,651,386</u>	<u>2,748,937</u>	<u>1,010,184</u>	<u>1,738,753</u>
Revenues Over (Under) Expenditures	(1,011,393)	116,056	386,231	270,175
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	657,286	657,286
Transfers out	(403,515)	(403,515)	-	403,515
Appropriated fund balance	1,414,908	287,459	-	(287,459)
Total Other Financing Sources (Uses)	<u>1,011,393</u>	<u>(116,056)</u>	<u>657,286</u>	<u>773,342</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,043,517</u>	<u>\$ 1,043,517</u>

See notes to budgetary comparison schedules.

TOWN OF JUPITER, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULES

SEPTEMBER 30, 2018

NOTE A - BUDGETARY ACCOUNTING

Annual budgets are adopted on the modified accrual basis of accounting consistent with U.S. generally accepted accounting principles for the General Fund, Community Redevelopment Fund, all debt service funds and the Capital Improvements Fund. The budgets represent departmental appropriations as authorized by Town ordinance. Expenditures may not legally exceed budgeted appropriations at the department level. The Town Manager has the authority to approve all budget transfers within a department. Budget transfers between departments and transfers involving appropriation of additional revenues require the approval of the Town Council. Accordingly, the Town's legal level of budgetary control is at the department level.

For the fiscal year ended September 30, 2018, supplemental budget appropriations of \$1,925,718 for the General Fund and budget reductions of \$902,449 for the Community Redevelopment Fund were approved by the Town Council during the year. Total expenditures may not legally exceed total fund appropriations including any budgeted fund balance from prior years. All annual appropriations lapse at year end. The budget amounts presented reflect the original budget and the amended budget based on legally authorized revisions to the original budget during the year.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriations, is employed as an extension of formal budgetary control in the General Fund. Encumbrances lapse at year end and become obligations of the subsequent year's budget. At September 30, 2018, the Town had commitments related to unperformed contracts, which have been re-appropriated in the 2018-2019 annual budget. These amounts are not included in the current year's expenditures as reported in the budgetary comparison schedules.

NOTE B - BUDGET AND ACTUAL COMPARISONS

The budgetary comparison schedule for the General Fund is prepared under the GAAP basis of accounting used in preparing the appropriated budget, except that the Town's self-insurance operations accounted for in the GAAP basis General Fund financial statements are not budgeted in the General Fund. As a result, the expenditures reported in the General Fund budgetary comparison schedule differ from that reported on the GAAP basis by the amount that insurance expenditures exceeded related insurance reimbursements.

The budgetary comparison schedule for the Community Redevelopment Fund is prepared under the GAAP basis of accounting used in preparing the appropriated budget. As a result, the revenue and expenditures reported in the budgetary comparison schedule for the Community Redevelopment Fund agree with that reported on the GAAP basis.

TOWN OF JUPITER, FLORIDA

Schedule of Changes in the Net Pension Liability and Related Ratios
Municipal Police Officers' Retirement Trust

Last Five Fiscal Years

	Measurement Date September 30,	
	2018	2017
Total Pension Liability		
Service cost	\$ 2,521,070	\$ 2,582,297
Interest	5,878,440	5,599,862
Changes of benefit terms	132,470	20,996
Differences between expected and actual experience	(986,328)	(1,242,300)
Changes of assumptions	850,361	44,485
Benefit payments, including refunds	(3,251,402)	(3,201,705)
Net change in total pension liability	5,144,611	3,803,635
Total pension liability, beginning of fiscal year	77,908,140	74,104,505
Total pension liability, end of fiscal year (a)	\$ 83,052,751	\$ 77,908,140
Plan Fiduciary Net Position		
Contributions		
Employer	\$ 2,476,765	\$ 2,211,161
State of Florida	743,715	632,241
Plan members	991,404	975,895
Net investment income (loss)	4,933,798	6,163,642
Benefit payments, including refunds	(3,251,402)	(3,201,705)
Administration expense	(142,815)	(133,665)
Net change in plan fiduciary net position	5,751,465	6,647,569
Plan fiduciary net position, beginning of fiscal year	69,605,542	62,957,973
Plan fiduciary net position, end of fiscal year (b)	\$ 75,357,007	\$ 69,605,542
Net Pension Liability, end of fiscal year [(a)-(b)]	\$ 7,695,744	\$ 8,302,598
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.7%	89.3%
Covered Employee Payroll	\$ 9,612,905	\$ 9,725,993
Net Pension Liability as a Percentage of Covered Employee Payroll	80.1%	85.4%

Notes to Schedule:

Information prior to adoption of GASB Statement No. 67 in fiscal year 2014 is not available.

Effective with the October 1, 2015 actuarial valuation, the mortality table was revised to the mortality assumption used for special risk employees of the Florida Retirement System.

Payroll growth rate changed from 1.8% to 1.4% effective with the October 1, 2017 actuarial valuation and to zero with the October 1, 2018 actuarial valuation.

The investment rate of return changed from 7.5% to 7.4% effective with the October 1, 2018 actuarial valuation.

Measurement Date September 30,

2016	2015	2014
\$ 2,364,103	\$ 2,342,424	\$ 2,331,725
5,122,104	4,813,173	4,566,837
119,360	-	-
1,544,666	(51,881)	(1,448,507)
-	(428,678)	53,064
(2,712,827)	(2,334,850)	(2,013,388)
6,437,406	4,340,188	3,489,731
67,667,099	63,326,911	59,837,180
\$ 74,104,505	\$ 67,667,099	\$ 63,326,911

\$ 2,251,726	\$ 2,374,127	\$ 2,431,252
730,605	559,470	527,943
903,805	783,141	666,691
4,860,116	(1,126,145)	4,769,815
(2,712,827)	(2,334,850)	(2,013,388)
(143,660)	(130,608)	(124,608)
5,889,765	125,135	6,257,705
57,068,208	56,943,073	50,685,368
\$ 62,957,973	\$ 57,068,208	\$ 56,943,073

\$ 11,146,532	\$ 10,598,891	\$ 6,383,838
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85.0%	84.3%	89.9%
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\$ 9,049,623	\$ 7,983,304	\$ 7,557,207
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123.2%	132.8%	84.5%
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TOWN OF JUPITER, FLORIDA

Schedule of Town Contributions - Municipal Police Officers' Retirement Trust

Last Ten Fiscal Years

	Fiscal Year Ended September 30,			
	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,476,765	\$ 2,159,386	\$ 2,168,424	\$ 2,297,194
Contributions in relation to actuarially determined contribution	2,476,765	2,211,161	2,251,726	2,374,127
Contribution deficiency (excess)	\$ -	\$ (51,775)	\$ (83,302)	\$ (76,933)
Covered employee payroll	\$ 9,612,905	\$ 9,725,993	\$ 9,049,623	\$ 7,983,304
Contributions as a percentage of covered employee payroll	25.8%	22.7%	24.9%	29.7%

Notes to Schedule:

Actuarial valuation date:

10/1/2018

Actuarially determined contribution rates are calculated at October 1st, two years prior to the end of the fiscal year in which the contributions are paid.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, Closed
Amortization period:	
Gains and losses	20 years
Assumption, method and plan changes	20 years
Asset valuation method	5 Year Smoothed Market
Inflation, per year	2.75%
Salary increases (with inflation), per year	5% - 12.27%
Investment rate of return (net of expenses, with inflation), per year	7.4%
Payroll growth	0.0%
Cost of living adjustments	3.0%
Retirement age - Tier One unisex rates	
Each year member is eligible for early retirement	5%
Year in which member attains normal retirement	80%
Each of the four years following normal retirement date	40%
Fifth year following normal retirement date	100%

Retirement age - Tier Two members are assumed to retire at a rate of 100% upon reaching unreduced benefit eligibility (the earlier of (1) age 55 with 10 years of service, (2) rule of 70, but not earlier than age 50, or (3) at 22 years of service for DROP entry.

Mortality Florida Retirement System Special Risk employees' tables

Benefit changes:

None after 2014

Changes in actuarial assumptions:

Effective with the October 1, 2015 actuarial valuation, the mortality assumption was changed from RP-2000 Combined Mortality Table with Scale AA to the mortality assumptions used by the Florida Retirement System Special Risk employees.

Effective with the October 1, 2017 actuarial valuation the payroll growth rate changed from 1.8% to 1.4%.

Effective with the October 1, 2018 actuarial valuation: 1) the investment rate of return changed from 7.5% to 7.4%; 2) the payroll growth rate changed from 1.4% to 0.0%; and 3) the assumption for line-of-duty death was reduced from 75% to 25%.

Fiscal Year Ended September 30,					
<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 2,426,404	\$ 2,473,921	\$ 2,082,682	\$ 3,141,755	\$ 2,945,799	\$ 2,932,853
<u>2,431,252</u>	<u>2,473,921</u>	<u>2,082,682</u>	<u>3,176,637</u>	<u>2,945,801</u>	<u>2,932,853</u>
<u>\$ (4,848)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (34,882)</u>	<u>\$ (2)</u>	<u>\$ -</u>
<u>\$ 7,557,207</u>	<u>\$ 7,340,693</u>	<u>\$ 7,371,364</u>	<u>\$ 8,317,710</u>	<u>\$ 8,291,082</u>	<u>\$ 7,928,291</u>
<u>32.2%</u>	<u>33.7%</u>	<u>28.3%</u>	<u>38.2%</u>	<u>35.5%</u>	<u>37.0%</u>

TOWN OF JUPITER, FLORIDA

Schedule of Money-Weighted Rate of Return -
Municipal Police Officers' Retirement Trust

Last Nine Fiscal Years

<u>Fiscal Year Ended September 30,</u>	<u>Money- Weighted Rate of Return</u>
2018	7.5%
2017	10.2%
2016	8.9%
2015	(1.5)%
2014	9.9%
2013	12.4%
2012	17.5%
2011	0.2%
2010	8.5%

Notes to Schedule:

The money-weighted rate of return considers the changing amounts estimated as invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. Cash flows are estimated on a monthly basis and are assumed to occur at the beginning of each month. Cash inflows are netted with cash outflows, resulting in a net cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

Information prior to 2010 is not available.

TOWN OF JUPITER, FLORIDA

Schedule of the Town's Proportionate Share of the Net Pension Liability
Florida Retirement System (FRS) Pension Plan

Last Five Fiscal Years

	Measurement Date June 30,	
	2018	2017
Town's proportion of the net pension liability	0.045472054%	0.045483477%
Town's proportionate share of the net pension liability	\$ 13,696,418	\$ 13,453,707
Town covered payroll	\$ 16,833,609	\$ 16,715,630
Town's proportionate share of the net pension liability as a percentage of Town covered payroll	81.36%	80.49%
Plan fiduciary net position as a percentage of the total pension liability	84.3%	83.9%

Notes to Schedule:

Actuarial valuation date	7/1/2018
Actuarial measurement date	6/30/2018
Actuarial methods and assumptions used to determine contribution rates:	
Discount rate - 2018	7.00%
Discount rate - 2017	7.10%
Discount rate - 2016	7.60%
Discount rate - 2014 to 2015	7.65%
Actuarial cost method	Individual Entry Age
Amortization method	Level Percent of Payroll, Closed
Amortization period:	
Gains and losses	30 years
Assumption, method and plan changes	30 years
Asset valuation method	Fair Market Value 5-year smoothed
Inflation, per year	2.60%
Salary increases (with inflation), per year	3.25%
Investment rate of return (net of expenses, with inflation), per year	7.00%
Payroll growth	3.25%
Cost of living adjustments	3.0% pre-July 2011 0% thereafter
Retirement age	Varies by tier and member class
Mortality	RP 2000 Mortality Table Scale BB

Information prior to adoption of GASB Statement No. 67 by the Florida Retirement System in fiscal year 2014 is not available.

Measurement Date June 30,		
2016	2015	2014
<u>0.042422942%</u>	<u>0.039923440%</u>	<u>0.039630951%</u>
<u>\$ 10,711,826</u>	<u>\$ 5,156,648</u>	<u>\$ 2,418,071</u>
<u>\$ 15,116,119</u>	<u>\$ 13,301,876</u>	<u>\$ 13,496,363</u>
<u>70.86%</u>	<u>38.77%</u>	<u>17.92%</u>
<u>84.9%</u>	<u>92.0%</u>	<u>96.1%</u>

TOWN OF JUPITER, FLORIDA

Schedule of the Town's Proportionate Share of the Net Pension Liability
Florida Retiree Health Insurance Subsidy (HIS) Trust Fund

Last Five Fiscal Years

	Measurement Date June 30,	
	2018	2017
Town's proportion of the net pension liability	0.051527758%	0.052350980%
Town's proportionate share of the net pension liability	\$ 5,453,756	\$ 5,597,608
Town covered payroll	\$ 16,833,609	\$ 16,715,630
Town's proportionate share of the net pension liability as a percentage of Town covered payroll	32.40%	33.49%
Plan fiduciary net position as a percentage of the total pension liability	2.2%	1.6%

Notes to Schedule:

Actuarial valuation date	7/1/2018
Actuarial measurement date	6/30/2018
Actuarial methods and assumptions used to determine contribution rates:	
Discount rate - 2018	3.87%
Discount rate - 2017	3.58%
Discount rate - 2016	2.85%
Discount rate - 2015	3.80%
Discount rate - 2014	4.29%
Actuarial cost method	Individual Entry Age
Amortization method	Level Percent of Payroll, Closed
Amortization period:	
Gains and losses	30 years
Assumption, method and plan changes	30 years
Asset valuation method	Fair Market Value
Inflation, per year	2.60%
Salary increases (with inflation), per year	3.25%
Investment rate of return (net of expenses, with inflation), per year	N/A
Payroll growth	N/A
Cost of living adjustments	N/A
Retirement age	N/A
Mortality	RP 2000 Mortality Table Scale BB

Information prior to adoption of GASB Statement No. 67 by the Florida Retirement System in fiscal year 2014 is not available.

Measurement Date June 30,		
2016	2015	2014
<u>0.048949110%</u>	<u>0.044077343%</u>	<u>0.044922742%</u>
<u>\$ 5,704,816</u>	<u>\$ 4,495,196</u>	<u>\$ 4,200,386</u>
<u>\$ 15,116,119</u>	<u>\$ 13,301,876</u>	<u>\$ 13,496,363</u>
<u>37.74%</u>	<u>33.79%</u>	<u>31.12%</u>
<u>1.0%</u>	<u>0.5%</u>	<u>1.0%</u>

TOWN OF JUPITER, FLORIDA
Schedule of Town Contributions
Florida Retirement System FRS and HIS Plans
Last Five Fiscal Years

	Fiscal Year Ended September 30,	
	2018	2017
Florida Retirement System (FRS)		
Contractually required Town contribution	\$ 1,319,143	\$ 1,160,342
Contributions in relation to the contractually required Town contribution	1,319,143	1,160,342
Contribution deficiency (excess)	\$ -	\$ -
Town covered payroll	\$ 16,861,444	\$ 16,392,069
Contributions as a percentage of Town covered payroll	7.82%	7.08%
 Florida Retiree Health Insurance Subsidy (HIS)		
Contractually required Town contribution	\$ 279,839	\$ 271,789
Contributions in relation to the contractually required Town contribution	279,839	271,789
Contribution deficiency (excess)	\$ -	\$ -
Town covered payroll	\$ 16,861,444	\$ 16,392,069
Contributions as a percentage of Town covered payroll	1.66%	1.66%

Note to Schedule:

Information prior to adoption of GASB Statement No. 67 by the Florida Retirement System in fiscal year 2014 is not available.

Fiscal Year Ended September 30,		
2016	2015	2014
\$ 1,082,756	\$ 997,371	\$ 868,086
<u>1,082,756</u>	<u>997,371</u>	<u>868,086</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 15,373,489</u>	<u>\$ 13,944,152</u>	<u>\$ 13,121,419</u>
<u>7.04%</u>	<u>7.15%</u>	<u>6.62%</u>
\$ 255,186	\$ 191,501	\$ 153,890
<u>255,186</u>	<u>191,501</u>	<u>153,890</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 15,373,489</u>	<u>\$ 13,944,152</u>	<u>\$ 13,121,419</u>
<u>1.66%</u>	<u>1.37%</u>	<u>1.17%</u>

TOWN OF JUPITER, FLORIDA

Schedule of Changes in the Total OPEB Liability and Related Ratios

Current Fiscal Year

	Measurement Date September 30, 2018
Total OPEB Liability	
Service cost	\$ 167,430
Interest	118,110
Changes in assumptions and other inputs	(209,355)
Benefit payments	(124,180)
Net change in total OPEB liability	(47,995)
Total OPEB liability, beginning of fiscal year	3,148,280
Total OPEB liability, end of fiscal year	\$ 3,100,285
 Town Covered Employee Payroll	 \$ 27,676,807
 Total OPEB Liability as a Percentage of Town Covered Employee Payroll	 11.2%

Notes to Schedule:

Information prior to adoption of GASB Statement No. 75 in fiscal year 2018 is not available.

The plan is funded on a pay-as-you-go basis and is not administered as a formal qualifying trust. There were no plan assets as of the date of the most recent valuation. Since there are currently no invested plan assets held in trust to finance the OPEB obligation, the discount rate is the long-term expected rate of return on tax-exempt, high quality municipal bonds based on the Bond Buyer 20-Bond GO Index.

Changes in actuarial assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each year. The following are the discount rates used for each fiscal year:

2018	4.24%
2017	3.63%

**COMBINING FUND FINANCIAL STATEMENTS AND
INDIVIDUAL FUND BUDGETARY COMPARISON SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Road Impact Fee Fund - This fund accounts for all road impact fees collected, investment earnings and the expenditure of these funds, which are used solely for the purpose of constructing or improving roads, streets, highways and bridges in the Jupiter road network system.

Recreation Impact Fee Fund - This fund accounts for recreation impact fees collected, investment earnings and the expenditure of these funds, which are used solely for capital facility costs for parks and recreation facilities to serve new development.

Police Impact Fee Fund - This fund accounts for police impact fees collected, investment earnings and the expenditure of these funds, which are used solely for new police related capital improvement costs that add capacity to serve new development.

Juvenile First Offender Fund - This fund accounts for all donations, investment earnings and the expenditure of these funds, which are used solely for the Town's Juvenile First Offender Program.

Law Enforcement Grant Fund - This fund accounts for Local Law Enforcement Block Grant funds, the related investment earnings and the expenditure of these funds, which are used solely for projects to reduce crime and improve public safety.

Law Enforcement Fund - This fund accounts for revenue received from confiscated and forfeited properties from cases involving the Town's police department. Expenditures from this fund are generally for police education and training programs and equipment.

Infrastructure Surtax Fund - This fund accounts for the distributions received from the State of Florida for the Local Infrastructure Sales Surtax that are to be used for infrastructure capital improvement projects.

Workforce Housing Trust Fund - This fund accounts for fees and expenditures relating to the Town's workforce housing program.

Debt Service Funds - Debt Service Funds are used to account for assets held for the repayment of principal and interest on debt reported in the governmental fund financial statements.

Sales Tax Revenue Bond Debt Service Fund - This fund accounts for distributions received from the State of Florida for the Local Government Half-Cent Sales Tax that are pledged for payment of principal, interest and related fiscal charges on the \$1,770,000 Sales Tax Revenue Refunding Note, Series 2008 and \$5,270,000 Sales Tax Revenue Refunding Note, Series 2013.

Community Center Debt Service Fund - This fund accounts for dedicated property tax revenues and the related interest earnings that are used for payments of principal, interest and related fiscal charges on the \$11,330,000 General Obligation Bonds, Series 2001 used to finance the Town's Community Center and the \$17,000,000 General Obligation Bonds, Series 2005 used to finance the acquisition of environmentally sensitive lands.

TOWN OF JUPITER, FLORIDA

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

September 30, 2018

	Special Revenue			
	Road Impact Fee Fund	Recreation Impact Fee Fund	Police Impact Fee Fund	Juvenile First Offender Fund
ASSETS				
Cash and cash equivalents	\$ 3,017,975	\$ 556,828	\$ 66,851	\$ 3,339
Investments	<u>762,426</u>	<u>178,378</u>	<u>20,317</u>	<u>-</u>
Total Assets	<u>\$ 3,780,401</u>	<u>\$ 735,206</u>	<u>\$ 87,168</u>	<u>\$ 3,339</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 12,640	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>12,640</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Debt service	-	-	-	-
Capital projects	3,780,401	735,206	-	-
Law enforcement	-	-	74,528	3,339
Total Fund Balances	<u>3,780,401</u>	<u>735,206</u>	<u>74,528</u>	<u>3,339</u>
Total Liabilities and Fund Balances	<u>\$ 3,780,401</u>	<u>\$ 735,206</u>	<u>\$ 87,168</u>	<u>\$ 3,339</u>

Special Revenue			Debt Service		Total Nonmajor Governmental Funds
Law Enforcement Fund	Infrastructure Surtax Fund	Workforce Housing Trust Fund	Sales Tax Revenue Bond Debt Service Fund	Community Center Debt Service Fund	
\$ 67,345	\$ 6,639,989	\$ 1,807,206	\$ 1,557,083	\$ 445,270	\$ 14,161,886
-	-	-	-	-	961,121
<u>\$ 67,345</u>	<u>\$ 6,639,989</u>	<u>\$ 1,807,206</u>	<u>\$ 1,557,083</u>	<u>\$ 445,270</u>	<u>\$ 15,123,007</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,640
-	-	-	-	-	12,640
-	-	-	1,557,083	445,270	2,002,353
-	6,639,989	1,807,206	-	-	12,962,802
67,345	-	-	-	-	145,212
<u>67,345</u>	<u>6,639,989</u>	<u>1,807,206</u>	<u>1,557,083</u>	<u>445,270</u>	<u>15,110,367</u>
<u>\$ 67,345</u>	<u>\$ 6,639,989</u>	<u>\$ 1,807,206</u>	<u>\$ 1,557,083</u>	<u>\$ 445,270</u>	<u>\$ 15,123,007</u>

TOWN OF JUPITER, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2018

	Special Revenue				
	Road Impact Fee Fund	Recreation Impact Fee Fund	Police Impact Fee Fund	Juvenile First Offender Fund	Law Enforcement Grant Fund
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Impact fees	227,990	132,179	23,228	-	-
Intergovernmental	-	-	-	-	555
Investment earnings	14,346	3,357	381	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>242,336</u>	<u>135,536</u>	<u>23,609</u>	<u>-</u>	<u>555</u>
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	34,937	-	555
Capital outlay	-	-	41,682	-	-
Debt service					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>76,619</u>	<u>-</u>	<u>555</u>
Revenues Over (Under) Expenditures	242,336	135,536	(53,010)	-	-
OTHER FINANCING USES					
SOURCES (USES)					
Transfers out	<u>(17,069)</u>	<u>(2,358)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(17,069)</u>	<u>(2,358)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	225,267	133,178	(53,010)	-	-
Fund balances at beginning of year	<u>3,555,134</u>	<u>602,028</u>	<u>127,538</u>	<u>3,339</u>	<u>-</u>
Fund balances at end of year	<u>\$ 3,780,401</u>	<u>\$ 735,206</u>	<u>\$ 74,528</u>	<u>\$ 3,339</u>	<u>\$ -</u>

Special Revenue			Debt Service		Total Nonmajor Governmental Funds
Law Enforcement Fund	Infrastructure Surtax Fund	Workforce Housing Trust Fund	Sales Tax Revenue Bond Debt Service Fund	Community Center Debt Service Fund	
\$ -	\$ -	\$ -	\$ -	\$ 2,172,514	\$ 2,172,514
-	-	-	-	-	383,397
-	4,332,293	-	4,898,846	-	9,231,694
-	-	-	-	170	18,254
3,885	-	565,777	-	-	569,662
<u>3,885</u>	<u>4,332,293</u>	<u>565,777</u>	<u>4,898,846</u>	<u>2,172,684</u>	<u>12,375,521</u>
-	-	2,000	-	-	2,000
35,022	-	-	-	-	70,514
30,153	-	-	-	-	71,835
-	-	-	932,727	1,630,000	2,562,727
-	-	-	60,033	512,080	572,113
<u>65,175</u>	<u>-</u>	<u>2,000</u>	<u>992,760</u>	<u>2,142,080</u>	<u>3,279,189</u>
(61,290)	4,332,293	563,777	3,906,086	30,604	9,096,332
-	-	-	(3,500,000)	-	(3,519,427)
-	-	-	(3,500,000)	-	(3,519,427)
(61,290)	4,332,293	563,777	406,086	30,604	5,576,905
<u>128,635</u>	<u>2,307,696</u>	<u>1,243,429</u>	<u>1,150,997</u>	<u>414,666</u>	<u>9,533,462</u>
<u>\$ 67,345</u>	<u>\$ 6,639,989</u>	<u>\$ 1,807,206</u>	<u>\$ 1,557,083</u>	<u>\$ 445,270</u>	<u>\$ 15,110,367</u>

BUDGETARY COMPARISON SCHEDULES

TOWN OF JUPITER, FLORIDA

BUDGETARY COMPARISON SCHEDULE -
SALES TAX REVENUE BOND DEBT SERVICE FUND

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 4,600,000	\$ 4,600,000	\$ 4,898,846	\$ 298,846
Investment earnings	7,000	7,000	-	(7,000)
Total Revenues	<u>4,607,000</u>	<u>4,607,000</u>	<u>4,898,846</u>	<u>291,846</u>
EXPENDITURES				
Principal retirement	932,727	932,727	932,727	-
Interest and fiscal charges	59,195	60,033	60,033	-
Contingency	115,078	114,240	-	114,240
Total Expenditures	<u>1,107,000</u>	<u>1,107,000</u>	<u>992,760</u>	<u>114,240</u>
Revenues Over Expenditures	3,500,000	3,500,000	3,906,086	406,086
OTHER FINANCING USES				
Transfers out	(3,500,000)	(3,500,000)	(3,500,000)	-
	<u>(3,500,000)</u>	<u>(3,500,000)</u>	<u>(3,500,000)</u>	<u>-</u>
Revenues Over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 406,086</u>	<u>\$ 406,086</u>

TOWN OF JUPITER, FLORIDA

BUDGETARY COMPARISON SCHEDULE -
COMMUNITY CENTER DEBT SERVICE FUND

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,140,955	\$ 2,140,955	\$ 2,172,514	\$ 31,559
Investment earnings	<u>1,258</u>	<u>1,258</u>	<u>170</u>	<u>(1,088)</u>
Total Revenues	<u>2,142,213</u>	<u>2,142,213</u>	<u>2,172,684</u>	<u>30,471</u>
EXPENDITURES				
Principal retirement	1,630,000	1,630,000	1,630,000	-
Interest and fiscal charges	<u>512,213</u>	<u>512,213</u>	<u>512,080</u>	<u>133</u>
Total Expenditures	<u>2,142,213</u>	<u>2,142,213</u>	<u>2,142,080</u>	<u>133</u>
Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,604</u>	<u>\$ 30,604</u>

TOWN OF JUPITER, FLORIDA

BUDGETARY COMPARISON SCHEDULE -
CAPITAL IMPROVEMENTS FUND

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,526,658	\$ 3,526,658	\$ 3,678,872	\$ 152,214
Intergovernmental	2,389,166	1,308,927	64,756	(1,244,171)
Charges for services	322,000	322,000	-	(322,000)
Investment earnings	-	-	315,468	315,468
Donations	1,985,000	2,440,000	84,908	(2,355,092)
Miscellaneous	1,687,659	10,887,828	129,538	(10,758,290)
	<u>9,910,483</u>	<u>18,485,413</u>	<u>4,273,542</u>	<u>(14,211,871)</u>
Total Revenues				
EXPENDITURES				
General Government				
Town Council				
Aid to private organizations	-	14,072	-	14,072
	<u>-</u>	<u>14,072</u>	<u>-</u>	<u>14,072</u>
Other General Government				
Operating expenditures	320,021	518,043	289,824	228,219
Capital outlay	20,000	1,987,187	651,869	1,335,318
	<u>340,021</u>	<u>2,505,230</u>	<u>941,693</u>	<u>1,563,537</u>
Engineering and Public Works				
Operating expenditures	875,000	1,659,080	979,778	679,302
Capital outlay	3,900,000	10,715,515	263,052	10,452,463
	<u>4,775,000</u>	<u>12,374,595</u>	<u>1,242,830</u>	<u>11,131,765</u>
Culture and Recreation				
Operating expenditures	1,142,345	593,133	511,839	81,294
Capital outlay	11,558,267	4,981,857	1,251,342	3,730,515
	<u>12,700,612</u>	<u>5,574,990</u>	<u>1,763,181</u>	<u>3,811,809</u>
Total Expenditures	<u>17,815,633</u>	<u>20,468,887</u>	<u>3,947,704</u>	<u>16,521,183</u>
Revenues Over (Under) Expenditures	<u>(7,905,150)</u>	<u>(1,983,474)</u>	<u>325,838</u>	<u>2,309,312</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	7,940,000	2,025,244	218,365	(1,806,879)
Transfers out	(34,850)	(41,770)	(41,770)	-
Total Other Financing Sources (Uses)	<u>7,905,150</u>	<u>1,983,474</u>	<u>176,595</u>	<u>(1,806,879)</u>
Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 502,433</u>	<u>\$ 502,433</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents	Page
Financial Trends	96
<i>These schedules contain trend information to help the reader understand how the Town’s financial performance and well-being have changed over time.</i>	
Revenue Capacity	111
<i>These schedules contain information to help the reader assess the Town’s most significant local revenue source, the property tax.</i>	
Debt Capacity	117
<i>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.</i>	
Demographic and Economic Information	123
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town’s financial activities take place.</i>	
Operating Information	125
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the Town’s financial report relates to the services the Town of Jupiter provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

TOWN OF JUPITER, FLORIDA
Net Position by Component
Last Ten Fiscal Years
Accrual Basis of Accounting

	Fiscal Year			
	2009	2010	2011	2012
Governmental activities				
Net investment in capital assets	\$ 55,852,845	\$ 56,460,166	\$ 62,008,335	\$ 64,292,660
Restricted	6,994,602	3,889,822	3,848,303	4,860,324
Unrestricted	24,642,751	31,551,511	28,667,394	30,580,833
Total governmental activities net position	\$ 87,490,198	\$ 91,901,499	\$ 94,524,032	\$ 99,733,817
 Business-type activities				
Net investment in capital assets	\$ 163,110,644	\$ 169,056,109	\$ 172,379,676	\$ 176,555,586
Restricted	8,903,665	5,034,126	3,147,578	4,624,949
Unrestricted	32,584,898	34,403,274	37,763,056	39,501,057
Total business-type activities net position	\$ 204,599,207	\$ 208,493,509	\$ 213,290,310	\$ 220,681,592
 Primary government				
Net investment in capital assets	\$ 218,963,489	\$ 225,516,275	\$ 234,388,011	\$ 240,848,246
Restricted	15,898,267	8,923,948	6,995,881	9,485,273
Unrestricted	57,227,649	65,954,785	66,430,450	70,081,890
Total primary government net position	\$ 292,089,405	\$ 300,395,008	\$ 307,814,342	\$ 320,415,409

TABLE 1

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 67,755,359	\$ 74,609,024	\$ 87,178,931	\$ 91,245,314	\$ 94,709,390	\$ 98,251,923
5,764,100	5,108,494	6,015,406	6,386,483	11,095,413	16,120,792
36,068,411	38,821,882	27,416,016	29,702,275	26,363,894	27,480,540
<u>\$ 109,587,870</u>	<u>\$ 118,539,400</u>	<u>\$ 120,610,353</u>	<u>\$ 127,334,072</u>	<u>\$ 132,168,697</u>	<u>\$ 141,853,255</u>
\$ 178,559,717	\$ 184,306,940	\$ 194,307,099	\$ 191,909,758	\$ 194,047,350	\$ 197,010,656
2,796,683	10,582,761	9,106,898	8,025,089	6,894,379	4,167,642
54,289,023	54,651,166	60,253,357	74,453,424	82,802,676	94,176,869
<u>\$ 235,645,423</u>	<u>\$ 249,540,867</u>	<u>\$ 263,667,354</u>	<u>\$ 274,388,271</u>	<u>\$ 283,744,405</u>	<u>\$ 295,355,167</u>
\$ 246,315,076	\$ 258,915,964	\$ 281,486,030	\$ 283,155,072	\$ 288,756,740	\$ 295,262,579
8,560,783	15,691,255	15,122,304	14,411,572	17,989,792	20,288,434
90,357,434	93,473,048	87,669,373	104,155,699	109,166,570	121,657,409
<u>\$ 345,233,293</u>	<u>\$ 368,080,267</u>	<u>\$ 384,277,707</u>	<u>\$ 401,722,343</u>	<u>\$ 415,913,102</u>	<u>\$ 437,208,422</u>

TOWN OF JUPITER, FLORIDA
Changes in Net Position
Last Ten Fiscal Years
Accrual Basis of Accounting

	Fiscal Year			
	2009	2010	2011	2012
Expenses				
Governmental activities:				
General government	\$ 15,353,666	\$ 14,371,564	\$ 14,323,669	\$ 16,091,515
Public safety	18,486,726	18,954,687	19,673,761	17,729,810
Engineering and public works	5,241,771	5,122,616	6,528,027	6,442,702
Culture and recreation	4,821,268	4,758,188	2,652,672	3,016,009
Interest on long-term debt	1,503,512	1,593,818	1,500,093	1,239,033
Total governmental activities expenses	<u>45,406,943</u>	<u>44,800,873</u>	<u>44,678,222</u>	<u>44,519,069</u>
Business-type activities:				
Water system	19,073,788	19,396,117	20,990,063	18,403,380
Stormwater	3,508,053	2,442,584	2,098,838	1,718,311
Building	1,595,607	1,705,144	1,813,180	1,957,962
Total business-type activities expenses	<u>24,177,448</u>	<u>23,543,845</u>	<u>24,902,081</u>	<u>22,079,653</u>
Total primary government expenses	<u>\$ 69,584,391</u>	<u>\$ 68,344,718</u>	<u>\$ 69,580,303</u>	<u>\$ 66,598,722</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,967,052	\$ 1,769,386	\$ 1,809,671	\$ 3,628,914
Public safety	495,734	458,345	439,169	411,540
Engineering and public works	3,732,945	3,757,434	3,903,793	3,834,291
Culture and recreation	1,046,308	1,065,101	1,153,067	1,268,445
Operating contributions and grants:				
General government	528,545	391,624	492,366	542,843
Public safety	1,792,267	724,085	1,124,759	774,117
Engineering and public works	66,270	1,037,859	564,822	615,530
Culture and recreation	1,252	1,600	850	-
Capital contributions and grants:				
General government	-	37,744	28,692	47,489
Public safety	14,611	47,604	96,531	145,885
Engineering and public works	211,386	252,033	407,317	315,544
Culture and recreation	231,106	573,311	405,680	648,609
Total governmental activities program revenues	<u>10,087,476</u>	<u>10,116,126</u>	<u>10,426,717</u>	<u>12,233,207</u>
Business-type activities:				
Charges for services:				
Water system	19,315,320	20,523,135	21,417,375	21,000,147
Stormwater	2,197,749	2,690,966	2,846,776	2,312,723
Building	2,199,206	2,228,147	2,372,383	3,489,761
Operating contributions and grants:				
Water system	-	-	-	18,679
Stormwater	-	-	-	-
Capital contributions and grants:				
Water system	2,065,213	1,631,587	1,608,599	2,029,850
Stormwater	62,348	317,984	1,170,358	332,642
Total business-type activities program revenues	<u>25,839,836</u>	<u>27,391,819</u>	<u>29,415,491</u>	<u>29,183,802</u>
Total primary government program revenues	<u>\$ 35,927,312</u>	<u>\$ 37,507,945</u>	<u>\$ 39,842,208</u>	<u>\$ 41,417,009</u>

TABLE 2

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 14,933,432	\$ 16,024,110	\$ 16,637,105	\$ 18,477,434	\$ 19,564,860	\$ 19,391,006
18,331,070	18,887,625	18,935,949	21,699,238	22,658,014	23,181,411
7,248,818	7,093,266	6,871,853	7,956,044	9,117,025	9,478,260
3,093,620	3,455,019	3,301,828	3,450,245	4,257,500	4,041,480
1,485,453	1,122,371	951,755	901,567	860,839	761,846
<u>45,092,393</u>	<u>46,582,391</u>	<u>46,698,490</u>	<u>52,484,528</u>	<u>56,458,238</u>	<u>56,854,003</u>
18,610,942	18,222,704	18,616,320	19,967,372	21,635,338	22,048,888
2,181,847	1,893,252	2,041,882	2,195,891	2,398,659	2,370,650
2,183,139	3,076,617	3,080,687	3,447,445	3,458,772	3,751,616
<u>22,975,928</u>	<u>23,192,573</u>	<u>23,738,889</u>	<u>25,610,708</u>	<u>27,492,769</u>	<u>28,171,154</u>
<u>\$ 68,068,321</u>	<u>\$ 69,774,964</u>	<u>\$ 70,437,379</u>	<u>\$ 78,095,236</u>	<u>\$ 83,951,007</u>	<u>\$ 85,025,157</u>
\$ 1,979,330	\$ 2,019,811	\$ 2,199,978	\$ 2,115,287	\$ 2,280,076	\$ 2,610,230
1,425,790	955,659	731,150	439,092	660,870	541,365
4,056,816	4,004,341	4,439,702	4,373,961	4,613,018	4,796,872
1,110,597	1,237,217	1,298,872	1,144,715	1,181,827	1,265,177
410,317	353,933	812,132	2,613,490	648,254	1,194,767
539,098	648,631	623,633	786,588	712,653	818,723
351,944	295,946	299,076	216,381	599,375	233,032
-	-	1,100	-	-	4,943
3,164,600	5,105,599	8,065,791	1,903,824	541,618	2,916,987
105,781	57,829	53,243	28,897	44,671	23,783
1,100,924	705,201	530,462	459,745	405,721	313,648
813,965	618,173	311,460	234,716	199,466	132,179
<u>15,059,162</u>	<u>16,002,340</u>	<u>19,366,599</u>	<u>14,316,696</u>	<u>11,887,549</u>	<u>14,851,706</u>
22,440,834	22,265,341	23,755,364	25,136,478	26,589,627	26,359,138
2,271,598	2,333,048	2,778,836	2,678,185	2,613,792	2,940,150
7,059,912	5,914,206	4,579,262	3,921,256	4,017,180	5,329,430
221,108	-	-	-	435,240	49,823
-	-	-	-	-	197,383
5,071,628	4,105,092	3,781,603	2,458,583	2,421,140	2,142,384
527,300	2,161,775	5,755,572	1,538,772	273,840	2,202,305
<u>37,592,380</u>	<u>36,779,462</u>	<u>40,650,637</u>	<u>35,733,274</u>	<u>36,350,819</u>	<u>39,220,613</u>
<u>\$ 52,651,542</u>	<u>\$ 52,781,802</u>	<u>\$ 60,017,236</u>	<u>\$ 50,049,970</u>	<u>\$ 48,238,368</u>	<u>\$ 54,072,319</u>

TOWN OF JUPITER, FLORIDA
Changes in Net Position (Continued)
Last Ten Fiscal Years
Accrual Basis of Accounting

	Fiscal Year			
	2009	2010	2011	2012
Net (expense)/revenue				
Governmental activities	\$ (35,319,467)	\$ (34,684,747)	\$ (34,251,505)	\$ (32,285,862)
Business-type activities	1,662,388	3,847,974	4,513,410	7,104,149
Total primary government net expense	<u>\$ (33,657,079)</u>	<u>\$ (30,836,773)</u>	<u>\$ (29,738,095)</u>	<u>\$ (25,181,713)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes:				
Property taxes	\$ 22,750,485	\$ 21,458,933	\$ 19,904,132	\$ 19,919,566
Franchise fees	4,715,332	4,479,142	4,348,334	4,273,931
Public service taxes	3,337,851	3,612,409	3,678,961	3,751,163
Communications services taxes	3,697,912	3,246,760	3,070,359	3,051,291
Sales taxes	3,077,029	3,064,115	3,224,952	3,596,953
Gas taxes	990,923	986,051	1,073,744	1,133,849
Intergovernmental, unrestricted	991,315	1,023,881	1,077,577	1,157,751
Investment earnings	31,685	706,744	429,981	469,158
Other	-	-	27,610	41,102
Transfers	118,250	518,013	38,388	100,883
Total governmental activities	<u>39,710,782</u>	<u>39,096,048</u>	<u>36,874,038</u>	<u>37,495,647</u>
Business-type activities:				
Intergovernmental, unrestricted	71,747	-	-	-
Investment earnings	195,879	564,341	321,779	380,824
Gain on disposal of capital assets	-	-	-	7,192
Transfers	(118,250)	(518,013)	(38,388)	(100,883)
Total business-type activities	<u>149,376</u>	<u>46,328</u>	<u>283,391</u>	<u>287,133</u>
Total primary government	<u>\$ 39,860,158</u>	<u>\$ 39,142,376</u>	<u>\$ 37,157,429</u>	<u>\$ 37,782,780</u>
Changes in Net Assets				
Governmental activities	\$ 4,391,315	\$ 4,411,301	\$ 2,622,533	\$ 5,209,785
Business-type activities	1,811,764	3,894,302	4,796,801	7,391,282
Total primary government	<u>\$ 6,203,079</u>	<u>\$ 8,305,603</u>	<u>\$ 7,419,334</u>	<u>\$ 12,601,067</u>

TABLE 2

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ (30,033,231)	\$ (30,580,051)	\$ (27,361,891)	\$ (38,167,832)	\$ (44,570,689)	\$ (42,002,297)
14,616,452	13,586,889	16,911,748	10,122,569	8,858,050	11,049,459
<u>\$ (15,416,779)</u>	<u>\$ (16,993,162)</u>	<u>\$ (10,450,143)</u>	<u>\$ (28,045,263)</u>	<u>\$ (35,712,639)</u>	<u>\$ (30,952,838)</u>
\$ 20,150,640	\$ 20,884,758	\$ 22,321,359	\$ 24,582,705	\$ 26,376,117	\$ 27,999,283
4,182,628	4,529,052	4,708,567	4,666,753	4,555,475	4,780,075
3,967,109	4,340,039	4,521,728	4,717,433	4,872,381	4,963,194
2,830,528	2,801,452	2,712,314	2,610,258	2,527,223	2,627,795
3,793,323	4,111,083	4,381,431	4,521,600	6,965,372	9,231,139
1,146,761	1,202,381	1,280,924	1,325,773	1,394,012	1,385,729
1,329,434	1,487,636	1,652,844	1,729,267	1,861,678	1,963,607
652,258	275,260	921,474	742,188	853,056	1,028,793
2,284,727	-	47,042	-	-	-
(298,952)	(100,080)	(52,500)	(4,426)	-	157,168
<u>40,038,456</u>	<u>39,531,581</u>	<u>42,495,183</u>	<u>44,891,551</u>	<u>49,405,314</u>	<u>54,136,783</u>
-	-	-	-	-	-
215,677	204,322	415,747	589,855	498,084	964,703
-	4,153	2,868	4,067	-	4,120
298,952	100,080	52,500	4,426	-	(157,168)
<u>514,629</u>	<u>308,555</u>	<u>471,115</u>	<u>598,348</u>	<u>498,084</u>	<u>811,655</u>
<u>\$ 40,553,085</u>	<u>\$ 39,840,136</u>	<u>\$ 42,966,298</u>	<u>\$ 45,489,899</u>	<u>\$ 49,903,398</u>	<u>\$ 54,948,438</u>
\$ 10,005,225	\$ 8,951,530	\$ 15,133,292	\$ 6,723,719	\$ 4,834,625	\$ 12,134,486
15,131,081	13,895,444	17,382,863	10,720,917	9,356,134	11,861,114
<u>\$ 25,136,306</u>	<u>\$ 22,846,974</u>	<u>\$ 32,516,155</u>	<u>\$ 17,444,636</u>	<u>\$ 14,190,759</u>	<u>\$ 23,995,600</u>

TOWN OF JUPITER, FLORIDA
 Governmental Activities Tax Revenues by Source
 Last Ten Fiscal Years
 Accrual Basis of Accounting

TABLE 3

Fiscal Year	Property Taxes	Franchise Fees	Public Service Taxes	Communi- cations Services Taxes	Sales Taxes	Gas Taxes	Total
2009	\$ 22,750,835	\$ 4,715,332	\$ 3,337,851	\$ 3,697,912	\$ 3,077,029	\$ 990,923	\$ 38,569,882
2010	21,458,933	4,479,142	3,612,409	3,246,760	3,064,115	986,051	36,847,410
2011	19,904,132	4,348,334	3,678,961	3,070,359	3,224,952	1,073,744	35,300,482
2012	19,919,566	4,273,931	3,751,163	3,051,291	3,596,953	1,133,849	35,726,753
2013	20,150,640	4,182,628	3,967,109	2,830,528	3,793,323	1,146,761	36,070,989
2014	20,884,758	4,529,052	4,340,039	2,801,452	4,111,083	1,202,381	37,868,765
2015	22,321,359	4,708,567	4,521,728	2,712,314	4,381,431	1,280,924	39,926,323
2016	24,582,705	4,666,753	4,717,433	2,610,258	4,521,600	1,325,773	42,424,522
2017	26,376,117	4,555,475	4,872,381	2,527,223	6,965,372	1,394,012	46,690,580
2018	27,999,283	4,780,075	4,963,194	2,627,795	9,231,139	1,385,729	50,987,215

TOWN OF JUPITER, FLORIDA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
Modified Accrual Basis of Accounting

	Fiscal Year			
	2009	2010	2011	2012
General Fund				
Reserved	\$ -	\$ 8,544,901	\$ -	\$ -
Unreserved				
Designated for subsequent year's budget	-	1,071,105	-	-
Undesignated	14,617,020	14,582,473	-	-
Nonspendable:				
Inventory	-	-	74,900	55,682
Prepaid items	-	-	96,754	74,758
Advance due from other fund	-	-	5,817,246	7,210,178
Note receivable	-	-	350,000	4,795
Restricted for:				
Law enforcement	-	-	95,760	102,862
Economic development	-	-	1,685,000	1,825,000
Assigned to:				
Subsequent year's budget	-	-	389,963	437,249
Health insurance	-	-	-	350,000
Unassigned	-	-	15,189,275	16,197,279
Total General Fund	\$ 14,617,020	\$ 24,198,479	\$ 23,698,898	\$ 26,257,803
All other governmental funds				
Reserved	\$ 7,062,834	\$ 7,928,057	\$ -	\$ -
Unreserved				
Designated for subsequent year's budget	114,576	-	-	-
Undesignated (deficit), reported in:				
Special revenue funds	(179,513)	(3,968,849)	-	-
Capital projects fund	13,273,299	15,044,109	-	-
Debt service funds	415,208	498,007	-	-
Nonspendable:				
Prepaid items	-	-	295	25,000
Restricted for:				
Debt service	-	-	1,016,875	1,351,853
Capital projects	-	-	1,674,514	2,139,789
Law enforcement	-	-	463,404	535,206
Special projects	-	-	4,607	-
Assigned to:				
Capital projects	-	-	13,876,916	13,182,091
Unassigned Special Revenue Funds (deficit)	-	-	(4,257,561)	(4,119,280)
Total all other governmental funds	\$ 20,686,404	\$ 19,501,324	\$ 12,779,050	\$ 13,114,659

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

TABLE 4

Fiscal Year						
2013	2014	2015	2016	2017	2018	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
55,551	58,469	62,610	66,005	83,445	29,760	
106,594	68,699	16,937	10,997	22,948	13,991	
6,837,333	7,005,093	7,141,327	5,957,885	5,901,436	5,009,196	
14,000	280,349	201,173	171,173	111,173	111,173	
396,824	442,379	616,188	509,748	823,659	471,525	
1,240,000	128,750	1,055,891	1,163,147	1,520,195	1,039,623	
437,249	563,478	936,613	-	-	228,823	
350,000	-	-	-	-	-	
19,384,430	24,281,146	26,918,797	31,856,248	29,676,802	33,412,574	
<u>\$ 28,821,981</u>	<u>\$ 32,828,363</u>	<u>\$ 36,949,536</u>	<u>\$ 39,735,203</u>	<u>\$ 38,139,658</u>	<u>\$ 40,316,665</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	480	-	-	-	-	-
1,356,700	1,391,468	1,460,655	1,523,685	1,565,663	2,002,353	
3,613,705	3,897,102	3,583,629	3,939,363	7,708,287	12,962,802	
253,257	331,676	409,221	247,577	259,512	145,212	
-	-	-	-	-	-	-
15,282,563	14,754,007	13,615,890	13,859,274	14,157,056	16,307,489	
<u>(3,830,602)</u>	<u>(5,000,627)</u>	<u>(5,218,611)</u>	<u>(4,354,660)</u>	<u>(4,115,803)</u>	<u>(4,720,286)</u>	
<u>\$ 16,675,623</u>	<u>\$ 15,374,106</u>	<u>\$ 13,850,784</u>	<u>\$ 15,215,239</u>	<u>\$ 19,574,715</u>	<u>\$ 26,697,570</u>	

TOWN OF JUPITER, FLORIDA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
Modified Accrual Basis of Accounting

	Fiscal Year			
	2009	2010	2011	2012
Revenues				
Taxes	\$ 30,777,171	\$ 29,304,153	\$ 27,727,196	\$ 27,855,869
Franchise fees	4,715,332	4,479,142	4,348,334	4,273,931
Licenses and permits	789,633	1,094,680	1,134,195	1,239,148
Intergovernmental	6,106,837	5,456,965	5,661,131	8,198,174
Charges for services	6,041,646	6,055,850	6,240,082	6,225,043
Fines and forfeitures	377,895	327,460	269,358	244,539
Investment earnings	31,685	706,744	429,981	351,874
Donations	2,875	17,539	18,232	52,539
Miscellaneous	1,825,569	1,214,337	1,383,327	981,045
Total revenues	<u>50,668,643</u>	<u>48,656,870</u>	<u>47,211,836</u>	<u>49,422,162</u>
Expenditures				
General government	14,206,005	13,164,978	13,288,516	14,747,654
Public safety	17,917,896	18,440,710	19,420,913	17,338,508
Engineering and public works	4,239,970	4,070,093	5,311,159	5,094,941
Culture and recreation	3,740,508	3,677,947	2,064,406	2,091,646
Capital outlay	3,585,235	2,076,830	10,912,494	4,196,777
Debt service				
Principal	2,041,092	2,111,705	2,037,128	2,023,714
Interest	1,498,777	1,587,626	1,494,706	1,234,683
Total expenditures	<u>47,229,483</u>	<u>45,129,889</u>	<u>54,529,322</u>	<u>46,727,923</u>
Revenues over (under) expenditures	3,439,160	3,526,981	(7,317,486)	2,694,239
Other financing sources (uses)				
Issuance of refunding debt	1,770,000	-	-	-
Payment of refunded bonds	(1,760,000)	-	-	-
Proceeds from sale of assets	-	8,174	34,323	51,969
Insurance recoveries	11,364	37,291	22,920	47,423
Transfers in	3,612,125	7,110,943	3,641,924	2,707,113
Transfers out	(3,493,875)	(6,592,930)	(3,603,536)	(2,606,230)
Total other financing sources (uses)	<u>139,614</u>	<u>563,478</u>	<u>95,631</u>	<u>200,275</u>
Net change in fund balances	<u>\$ 3,578,774</u>	<u>\$ 4,090,459</u>	<u>\$ (7,221,855)</u>	<u>\$ 2,894,514</u>
Debt service as a percentage of non-capital expenditures	<u>8.11%</u>	<u>8.59%</u>	<u>8.10%</u>	<u>7.66%</u>

TABLE 5

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 28,095,038	\$ 29,228,630	\$ 30,836,325	\$ 33,236,169	\$ 35,169,733	\$ 36,976,001
4,182,628	4,529,052	4,708,567	4,666,753	4,555,475	4,780,075
2,544,020	2,016,519	1,533,911	1,066,601	1,171,336	1,180,932
6,291,091	6,615,107	7,635,751	9,510,011	9,773,878	12,309,014
6,256,912	6,654,078	7,301,741	7,417,420	7,617,007	8,098,492
1,260,301	809,176	588,992	275,109	492,517	317,617
672,832	371,970	921,474	742,188	853,056	1,028,793
12,516	17,165	93,187	131,426	94,048	108,014
586,167	455,153	572,514	407,932	1,072,829	1,179,402
<u>49,901,505</u>	<u>50,696,850</u>	<u>54,192,462</u>	<u>57,453,609</u>	<u>60,799,879</u>	<u>65,978,340</u>
13,356,935	14,241,177	14,755,838	15,764,985	17,212,029	16,923,247
17,956,791	18,372,987	18,470,593	20,166,583	21,149,280	22,278,196
5,966,405	5,978,964	5,998,872	6,822,473	7,941,816	8,371,545
2,349,967	2,632,392	2,493,809	2,533,217	3,272,414	3,017,915
2,740,398	3,832,247	6,609,289	4,766,872	5,125,886	2,952,087
2,080,000	7,491,528	2,308,667	2,386,459	2,479,478	2,562,727
1,494,976	1,145,325	990,831	912,340	873,015	774,820
<u>45,945,472</u>	<u>53,694,620</u>	<u>51,627,899</u>	<u>53,352,929</u>	<u>58,053,918</u>	<u>56,880,537</u>
3,956,033	(2,997,770)	2,564,563	4,100,680	2,745,961	9,097,803
-	5,270,000	-	-	-	-
-	-	-	-	-	-
2,851,749	31,145	80,788	53,868	17,970	44,891
66,312	51,570	5,000	-	-	-
331,036	4,136,602	4,425,579	3,875,995	5,838,077	4,375,651
(3,629,988)	(4,236,682)	(4,478,079)	(3,877,421)	(5,838,077)	(4,218,483)
<u>(380,891)</u>	<u>5,252,635</u>	<u>33,288</u>	<u>52,442</u>	<u>17,970</u>	<u>202,059</u>
<u>\$ 3,575,142</u>	<u>\$ 2,254,865</u>	<u>\$ 2,597,851</u>	<u>\$ 4,153,122</u>	<u>\$ 2,763,931</u>	<u>\$ 9,299,862</u>
<u>8.27%</u>	<u>17.32%</u>	<u>7.33%</u>	<u>6.79%</u>	<u>6.33%</u>	<u>6.19%</u>

TOWN OF JUPITER, FLORIDA
 Governmental Funds Tax Revenues by Source
 Last Ten Fiscal Years
 Modified Accrual Basis of Accounting

TABLE 6

Fiscal Year	Property Taxes (1)	Public Service Taxes	Communi- cations Services Taxes	Gas Taxes	Total Taxes	Franchise Fees	Total
2009	\$ 22,750,485	\$ 3,337,851	\$ 3,697,912	\$ 990,923	\$ 30,777,171	\$ 4,715,332	\$ 35,492,503
2010	21,458,933	3,612,409	3,246,760	986,051	29,304,153	4,479,142	33,783,295
2011	19,904,132	3,678,961	3,070,359	1,073,744	27,727,196	4,348,334	32,075,530
2012	19,919,566	3,751,163	3,051,291	1,133,849	27,855,869	4,273,931	32,129,800
2013	20,150,640	3,967,109	2,830,528	1,146,761	28,095,038	4,182,628	32,277,666
2014	20,884,758	4,340,039	2,801,452	1,202,381	29,228,630	4,529,052	33,757,682
2015	22,321,359	4,521,728	2,712,314	1,280,924	30,836,325	4,708,567	35,544,892
2016	24,582,705	4,717,433	2,610,258	1,325,773	33,236,169	4,666,753	37,902,922
2017	26,376,117	4,872,381	2,527,223	1,394,012	35,169,733	4,555,475	39,725,208
2018	27,999,283	4,963,194	2,627,795	1,385,729	36,976,001	4,780,075	41,756,076

(1) Includes CRA tax increment revenues from the Town and Palm Beach County.

TOWN OF JUPITER, FLORIDA
 Total General Governmental Revenues by Source
 Last Ten Fiscal Years
 Modified Accrual Basis of Accounting

Fiscal Year	Taxes and Franchise Fees	Licenses and Permits	Intergovernmental	Charges for Services	Fines and Forfeitures	Investment Earnings
2009	\$ 35,492,503	\$ 789,633	\$ 6,106,837	\$ 6,041,646	\$ 377,895	\$ 31,685
2010	33,783,295	1,094,680	5,456,965	6,055,850	327,460	706,744
2011	32,075,530	1,134,195	5,661,131	6,240,082	269,358	429,981
2012	32,129,800	1,239,148	8,198,174	6,225,043	244,539	351,874
2013	32,277,666	2,544,020	6,291,091	6,256,912	1,260,301	672,832
2014	33,757,682	2,016,519	6,615,107	6,654,078	809,176	371,970
2015	35,544,892	1,533,911	7,635,751	7,301,741	588,992	921,474
2016	37,902,922	1,066,601	9,510,011	7,417,420	275,109	742,188
2017	39,725,208	1,171,336	9,773,878	7,617,007	492,517	853,056
2018	41,756,076	1,180,932	12,309,014	8,098,492	317,617	1,028,793

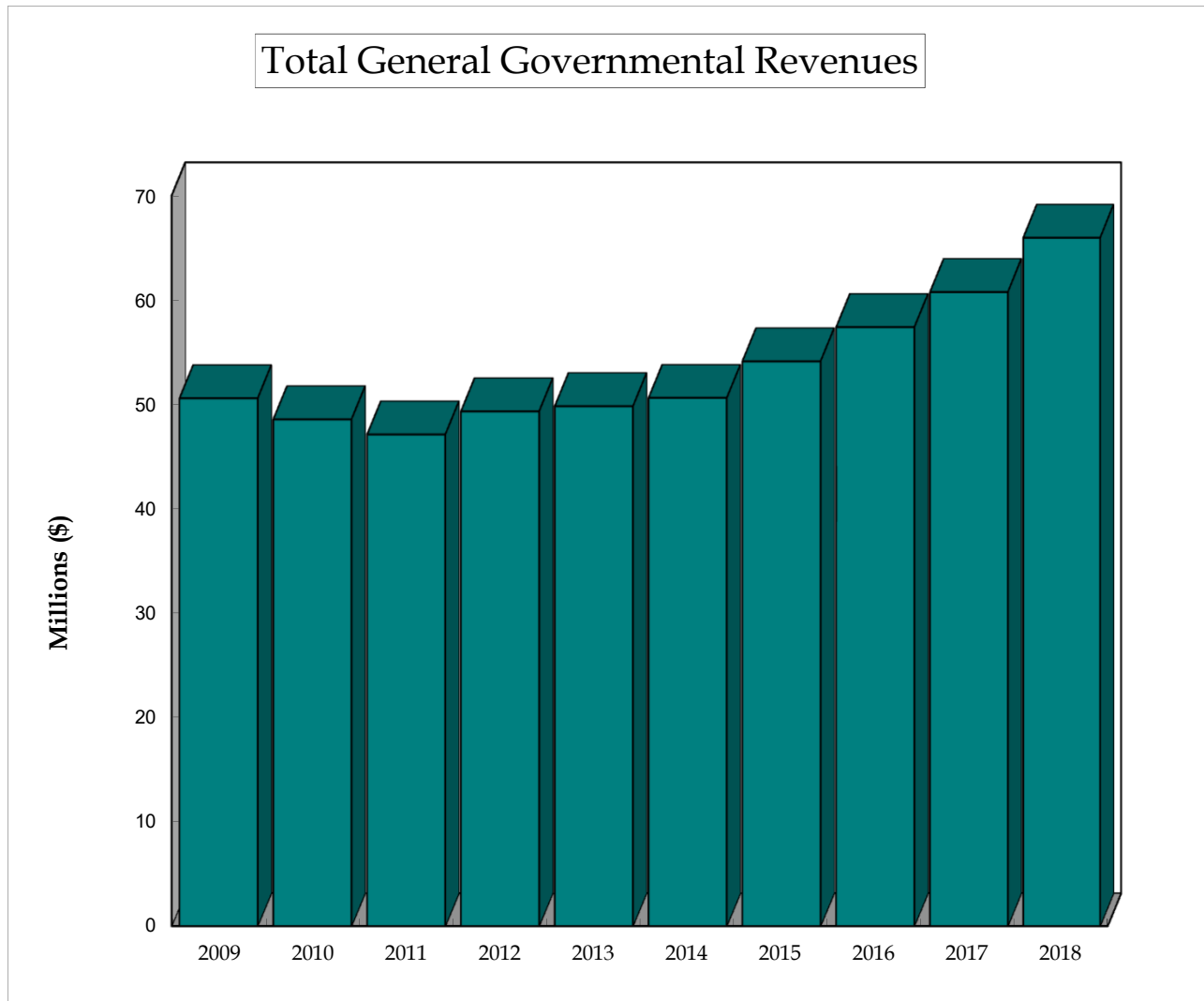


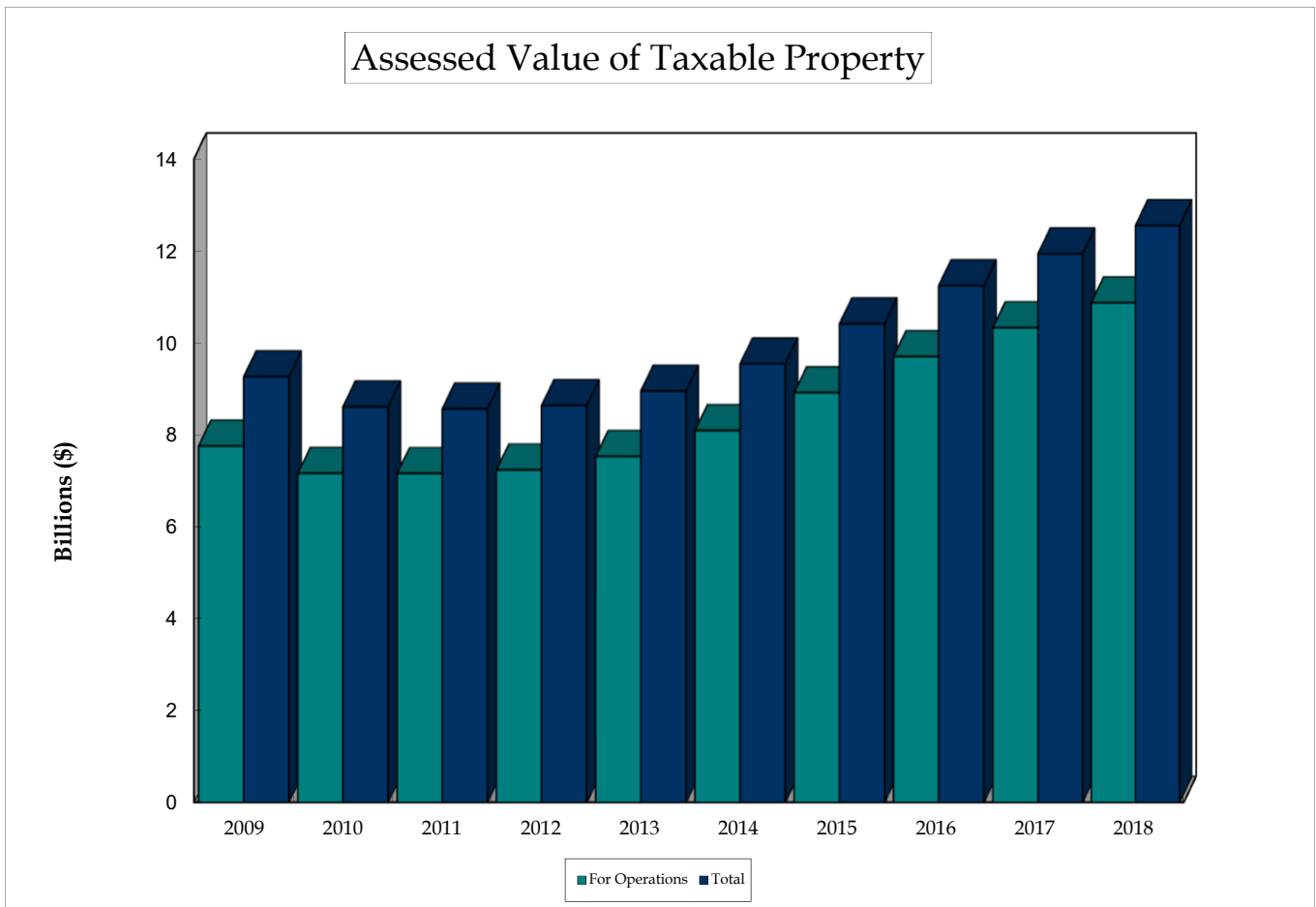
TABLE 7

<u>Miscellaneous</u>	<u>Total</u>
\$ 1,828,444	\$ 50,668,643
1,231,876	48,656,870
1,401,559	47,211,836
1,033,584	49,422,162
598,683	49,901,505
472,318	50,696,850
665,701	54,192,462
539,358	57,453,609
1,166,877	60,799,879
1,287,416	65,978,340

TOWN OF JUPITER, FLORIDA
Assessed Value of Taxable Property
Last Ten Fiscal Years

TABLE 8

Year	Real Property	Personal Property	Centrally Assessed Property	Exemptions	Assessed Value for Operations	Total Town Tax Rate	Total Taxable Value (1)
2009	\$ 8,960,361,974	\$ 298,475,679	\$ 1,321,535	\$ 1,507,450,971	\$ 7,752,708,217	2.6844	\$ 9,260,159,188
2010	8,204,204,394	401,747,357	1,264,085	1,449,771,023	7,157,444,813	2.8046	8,607,215,836
2011	8,184,221,022	374,965,850	1,305,738	1,405,491,305	7,155,001,305	2.8300	8,560,492,610
2012	8,264,332,304	366,002,938	1,049,441	1,397,862,365	7,233,522,318	2.8295	8,631,384,683
2013	8,569,082,777	378,148,886	1,296,637	1,421,917,672	7,526,610,628	2.8262	8,948,528,300
2014	9,153,926,603	385,543,759	1,523,860	1,450,462,521	8,090,531,701	2.8152	9,540,994,222
2015	10,005,490,403	403,379,190	1,748,444	1,496,530,217	8,914,087,820	2.7927	10,410,618,037
2016	10,845,565,535	395,066,652	1,928,796	1,544,975,723	9,697,585,260	2.7364	11,242,560,983
2017	11,583,806,982	348,811,183	2,026,948	1,609,024,923	10,325,620,190	2.6963	11,934,645,113
2018	12,175,877,382	367,909,293	2,033,088	1,676,169,844	10,869,649,919	2.6815	12,545,819,763



(1) Florida state law requires all property to be assessed at current fair market value.

Source: Palm Beach County Property Appraiser

TOWN OF JUPITER, FLORIDA
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
Rate per \$1,000 of Assessed Value

Fiscal Year	Town of Jupiter Property Tax Rates			Overlapping Property Tax Rates - Palm Beach County		
	Operating Millage	General Obligation Debt Service	Total Town Millage	Operating Millage	General Obligation Debt Service	Total County Millage
2009	2.4234	0.2610	2.6844	3.7811	0.1845	3.9656
2010	2.5142	0.2904	2.8046	4.3440	0.2174	4.5614
2011	2.5142	0.3158	2.8300	4.7500	0.2460	4.9960
2012	2.5142	0.3153	2.8295	4.7815	0.2110	4.9925
2013	2.5142	0.3120	2.8262	4.7815	0.2087	4.9902
2014	2.5142	0.3010	2.8152	4.7815	0.2037	4.9852
2015	2.5142	0.2785	2.7927	4.7815	0.1914	4.9729
2016	2.4834	0.2530	2.7364	4.7815	0.1327	4.9142
2017	2.4633	0.2330	2.6963	4.7815	0.1208	4.9023
2018	2.4633	0.2182	2.6815	4.7815	0.1208	4.9023

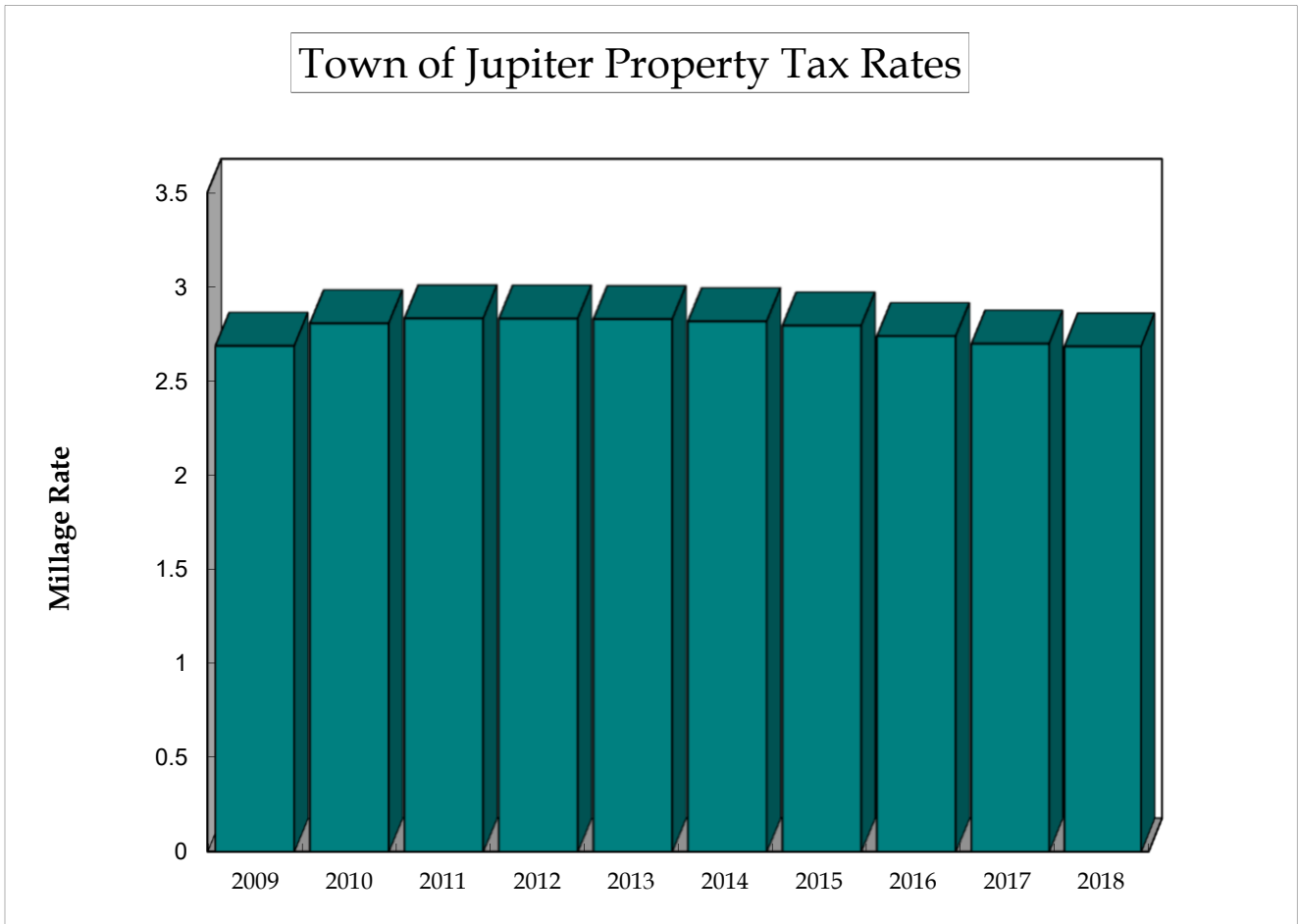
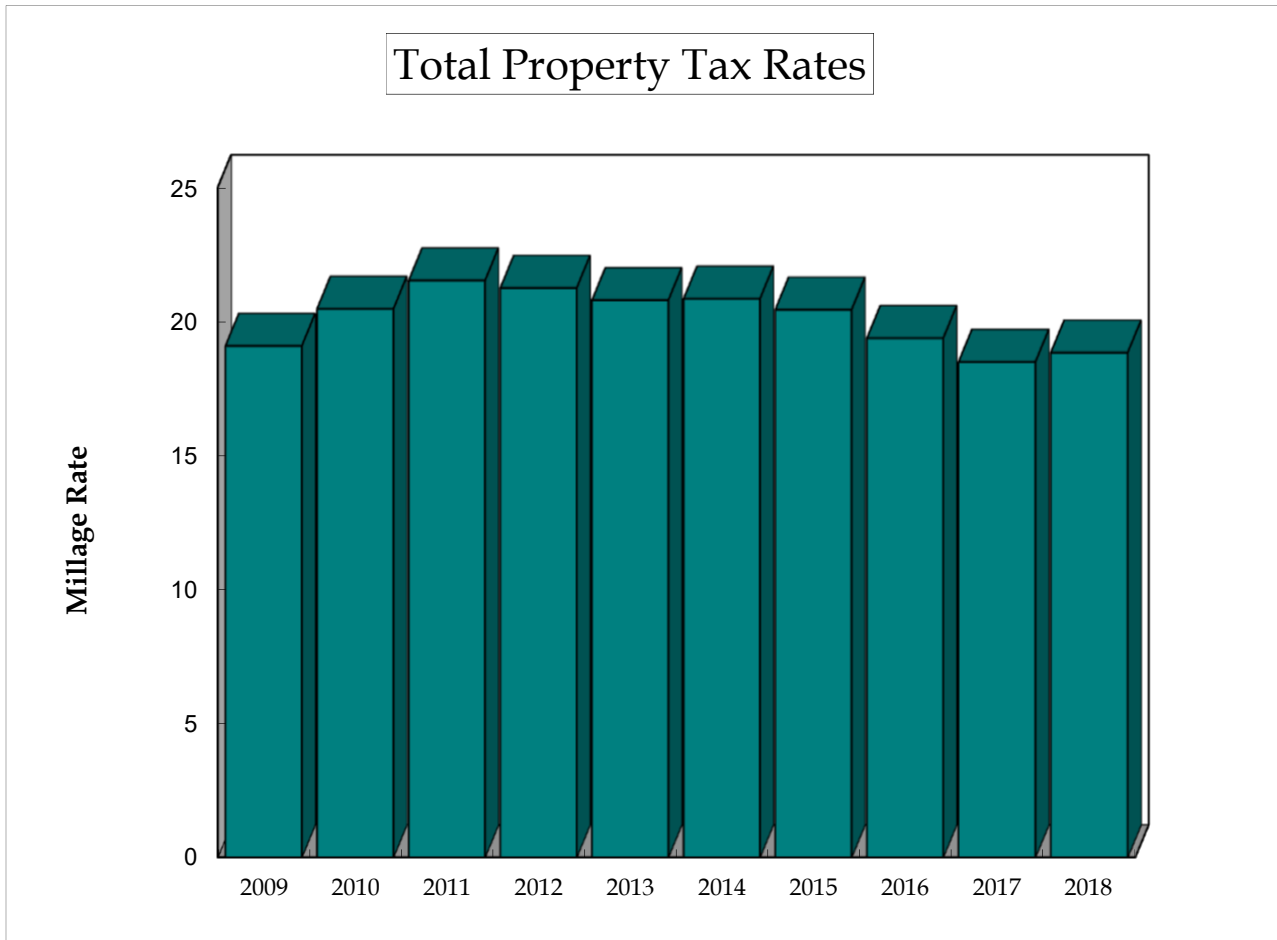


TABLE 9

Overlapping Property Tax Rates -				
Palm Beach County School District			Palm Beach	
Operating Millage	Debt Service	Total School Millage	County Special Districts	Total
7.251	-	7.251	5.1854	19.0864
7.983	-	7.983	5.1206	20.4696
8.154	-	8.154	5.5471	21.5271
8.180	-	8.180	5.2478	21.2498
7.778	-	7.778	5.1977	20.7921
7.586	-	7.586	5.4606	20.8470
7.594	-	7.594	5.0789	20.4385
7.070	-	7.070	4.6566	19.3772
6.769	-	6.769	4.1236	18.4912
6.769	-	6.769	4.4836	18.8364



TOWN OF JUPITER, FLORIDA
Principal Property Taxpayers
Current Year and Nine Years Ago

	2018		
	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Assessed Value for Operations</u>
Florida Power & Light Co	\$ 103,413,451	1	0.95%
Hart Abacoa LLC	76,606,035	2	0.70%
207 Florida Realty Associates LLC	74,761,956	3	0.69%
Harbourside Place LLC	71,000,000	4	0.65%
Northland Floresta LLC	63,886,033	5	0.59%
KMF X Jupiter LLC	59,117,116	6	0.54%
Jupiter Resort LLC	40,476,963	7	0.37%
PRCP Abacoa Investment LLC	37,274,873	8	0.34%
Club at Admirals Cove, Inc.	29,619,318	9	0.27%
Regency Centers LP	28,443,059	10	0.26%
RBF, LLC	-	-	-
TGM Abacoa LLC	-	-	-
TGM Floresta LLC	-	-	-
IHP Investment Fund III, LP	-	-	-
Divosta Homes	-	-	-
Holiday Jupiter LLC	-	-	-
Donross Associates	-	-	-
Bears Club Founding	-	-	-
Totals	<u>\$ 584,598,804</u>		<u>5.36%</u>

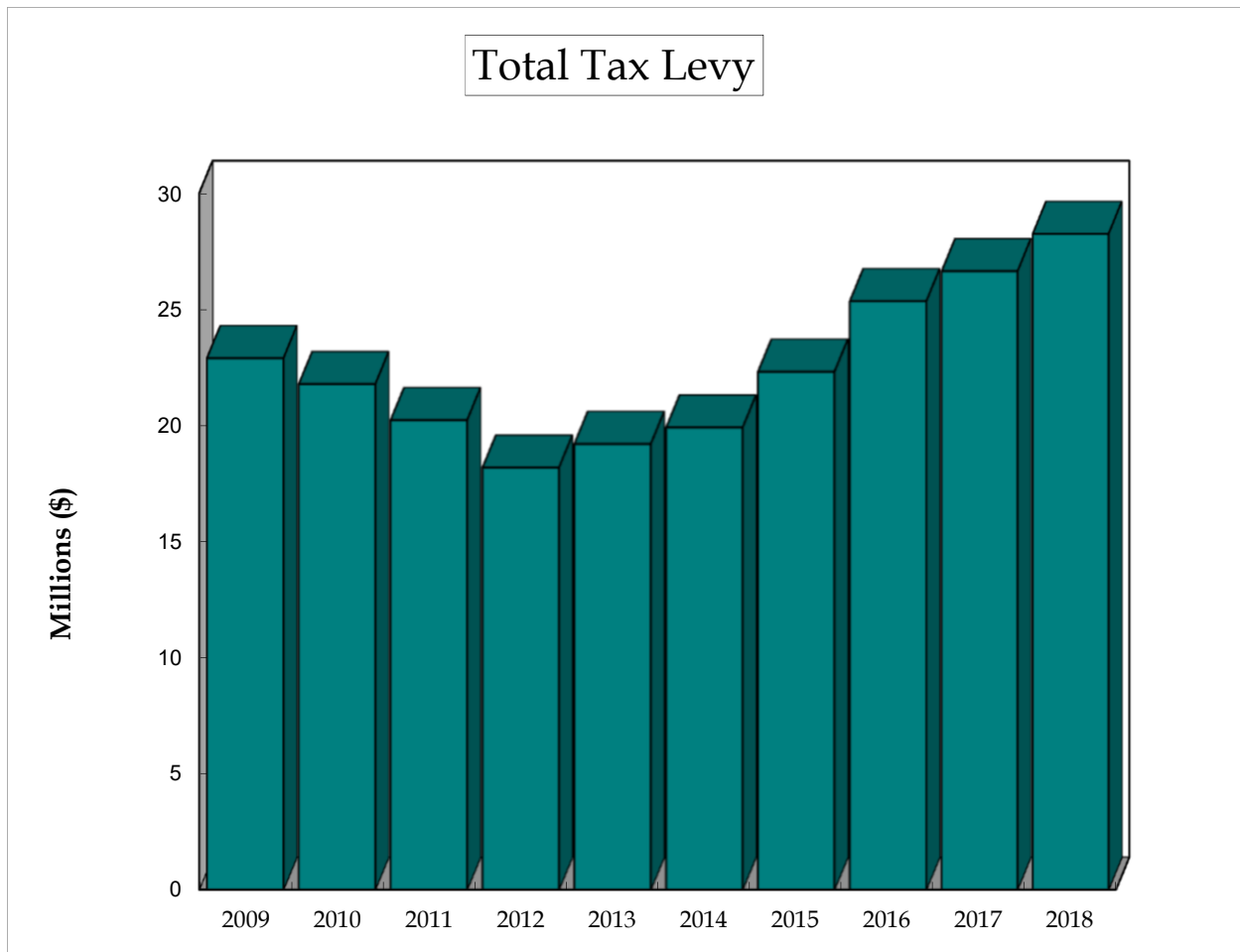
Source: Palm Beach County Property Appraiser.

TABLE 10

2009		
<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Assessed Value for Operations</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
\$ 31,157,778	5	0.40%
23,122,979	7	0.30%
81,550,508	1	1.05%
57,254,757	2	0.74%
48,000,000	3	0.62%
40,845,224	4	0.53%
30,619,970	6	0.39%
22,800,000	8	0.29%
16,559,394	9	0.21%
13,266,795	10	0.17%
<u>\$ 365,177,405</u>		<u>4.70%</u>

TOWN OF JUPITER, FLORIDA
Property Tax Levies and Collections
Last Ten Fiscal Years

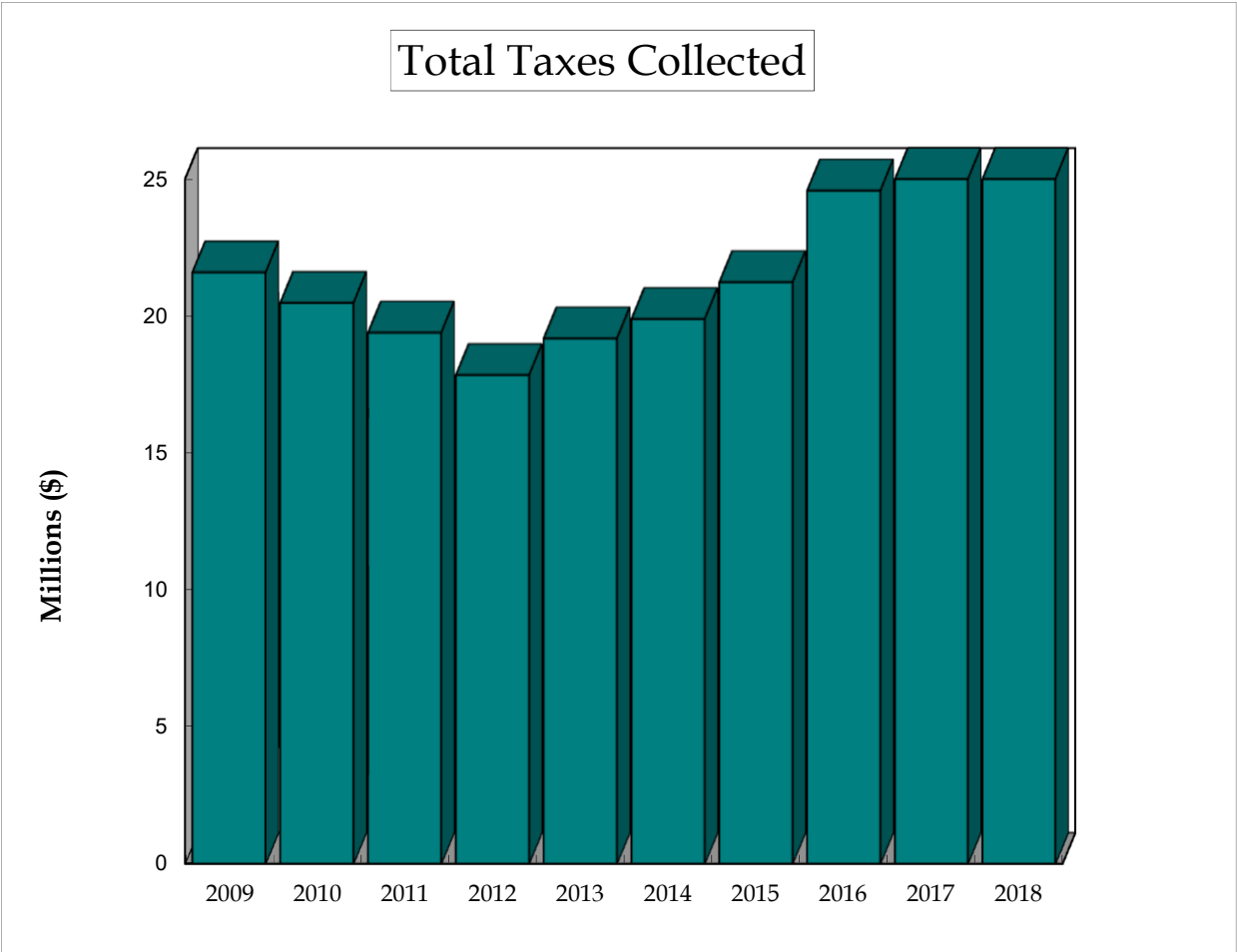
Fiscal Year	Total Tax Levy	Amount of Current Taxes Collected (1)	Percent of Total Tax Levy Collected	Amount of Delinquent Taxes Collected	Total Collected for the Year
2009	\$ 22,902,526	\$ 21,433,818	93.6 %	\$ 169,481	\$ 21,603,299
2010	21,787,176	20,325,926	93.3	163,669	20,489,595
2011	20,240,381	19,335,797	95.5	76,986	19,412,783
2012	18,195,931	17,757,247	97.6	105,575	17,862,822
2013	19,212,570	19,155,824	99.7	42,563	19,198,387
2014	19,919,948	19,878,115	99.8	28,564	19,906,679
2015	22,321,359	21,209,368	95.0	36,709	21,246,077
2016	25,355,767	24,459,033	96.5	123,672	24,582,705
2017	26,641,448	26,338,234	98.9	37,883	26,376,117
2018	28,247,551	27,964,200	99.0	35,083	27,999,283



(1) Includes discount taken for early payment of property taxes.

TABLE 11

<u>Ratio of Total Taxes Collected to Current Levy</u>	<u>Accumulated Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Current Levy</u>
94.3 %	N/A	N/A
94.0	N/A	N/A
95.9	N/A	N/A
98.2	N/A	N/A
99.9	N/A	N/A
99.9	N/A	N/A
95.2	N/A	N/A
97.0	N/A	N/A
99.0	N/A	N/A
99.1	N/A	N/A



N/A - Pursuant to Florida law, the Palm Beach County Tax Collector advertises and sells tax certificates on all real property for which there are unpaid, delinquent taxes. Accordingly, the Town has no property taxes receivable at September 30th.

TOWN OF JUPITER, FLORIDA
Ratios of General Bonded Debt Outstanding and Outstanding Debt by Type
Last Ten Fiscal Years
(Dollars in thousands, except per capita)

Governmental Activities							
General Bonded Debt							
Fiscal Year	General Obligation Bonds, Net ⁽¹⁾	Percentage of Total Taxable Value ⁽²⁾ of Property	Per Capita ⁽³⁾	Sales Tax Revenue Bonds	Capital Lease Obligations	Total Governmental Activities	
2009	\$ 22,227	0.24 %	\$ 442.11	\$ 9,220	\$ 403	\$ 31,850	
2010	20,959	0.24	379.99	8,555	141	29,655	
2011	19,822	0.23	356.88	7,865	29	27,716	
2012	18,554	0.21	329.34	7,145	-	25,699	
2013	17,236	0.19	304.65	6,390	-	23,626	
2014	15,863	0.17	277.02	5,548	-	21,411	
2015	14,435	0.14	244.21	4,675	-	19,110	
2016	12,947	0.12	213.59	4,675	-	17,622	
2017	11,390	0.10	185.54	2,869	-	14,259	
2018	9,767	0.08	157.28	1,936	-	11,703	

Note: Details about the Town's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ Debt is net of unamortized bond discount.

⁽²⁾ See Table 8 for property value data.

⁽³⁾ See Table 16 for personal income and population data.

N/A - Personal income information not available.

TABLE 12

Business-type Activities			Primary Government			
Water Revenue Bonds	Stormwater Loan	Total Business-type Activities	Total Primary Government	Percentage of Total Taxable Value ⁽²⁾ of Property	Percentage of Personal Income ⁽³⁾	Per Capita ⁽³⁾
\$ 42,185	\$ 432	\$ 42,617	\$ 74,467	0.80 %	101.25 %	\$ 1,481.19
40,795	378	41,173	70,828	0.82	103.52	1,284.14
38,750	324	39,074	66,790	0.78	93.50	1,202.51
35,960	270	36,230	61,929	0.72	82.07	1,099.26
33,760	216	33,976	57,602	0.64	72.40	1,018.12
31,420	162	31,582	52,993	0.56	63.49	925.43
28,960	108	29,068	48,178	0.46	50.36	815.08
26,400	54	26,454	44,076	0.39	42.43	727.15
23,710	-	23,710	37,969	0.32	N/A	618.51
20,885	-	20,885	32,588	0.26	N/A	524.77

TOWN OF JUPITER, FLORIDA
Direct and Overlapping Governmental Activities Debt
As of September 30, 2018

TABLE 13

	Debt Outstanding	Estimated⁽¹⁾ Percentage Applicable to Town of Jupiter	Estimated⁽¹⁾ Share of Direct and Overlapping Debt
Direct Debt:			
Town of Jupiter	\$ 11,702,818	100.00%	\$ 11,702,818
Overlapping Debt:			
Debt repaid with property taxes			
Palm Beach County	82,850,000	6.69%	5,542,665
Other debt			
Palm Beach County ⁽²⁾	721,270,986	6.69%	48,253,029
Palm Beach County School Board ⁽³⁾	1,365,826,000	6.69%	91,373,759
Total Overlapping Debt			145,169,453
Total Direct and Overlapping Debt			\$ 156,872,271
Estimated Population			62,100
Total Direct and Overlapping Debt per Capita			\$ 2,526.12

⁽¹⁾ Estimates based on ratio of assessed taxable values.

⁽²⁾ Includes Non Ad Valorem Revenue Bonds and Other Notes and Loans.

⁽³⁾ Includes Capital Outlay Bonds and Certificates of Participation.

Source: Finance Department, Town of Jupiter, Florida
Palm Beach County Finance Department
School Board of Palm Beach County

TOWN OF JUPITER, FLORIDA
 Legal Debt Margin Information
 Last Ten Fiscal Years
 (Amounts in Thousands)

TABLE 14

Fiscal Year	Assessed Value for Legal Debt Margin			Legal Debt Margin			Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
	Assessed Value for Operations	Exempt Real Property	Total Assessed Value	Debt Limit ⁽¹⁾	Net Debt Applicable to Limit	Legal Debt Margin	
2009	\$ 7,752,708	\$ 1,507,451	\$ 9,260,159	\$ 1,389,024	\$ 22,227	\$ 1,366,797	1.60
2010	7,157,445	1,449,771	8,607,216	1,291,082	20,959	1,270,123	1.62
2011	7,155,001	1,405,491	8,560,492	1,284,074	19,822	1,264,252	1.54
2012	7,233,522	1,397,862	8,631,384	1,294,708	18,554	1,276,154	1.43
2013	7,526,611	1,421,918	8,948,529	1,342,279	17,236	1,325,043	1.28
2014	8,090,532	1,450,463	9,540,995	1,431,149	15,863	1,415,286	1.11
2015	8,914,088	1,496,530	10,410,618	1,561,593	14,435	1,547,158	0.92
2016	9,697,585	1,544,976	11,242,561	1,686,384	12,947	1,673,437	0.77
2017	10,325,620	1,609,025	11,934,645	1,790,197	11,390	1,778,807	0.64
2018	10,869,650	1,676,170	12,545,820	1,881,873	9,767	1,872,106	0.52

⁽¹⁾ Debt limit is 15% of total assessed values based on Town ordinance.

TOWN OF JUPITER, FLORIDA
Pledged Revenue Coverage
Last Ten Fiscal Years

Sales Tax Revenue Bonds

<u>Fiscal Year</u>	<u>Sales Tax Revenue</u>	<u>Debt Service</u> ⁽³⁾	<u>Coverage</u> ⁽⁴⁾
2009	\$ 3,077,029	\$ 1,103,365	2.79
2010	3,064,115	1,085,243	2.82
2011	3,224,952	1,085,243	2.97
2012	3,596,953	1,084,557	3.32
2013	3,793,323	1,088,094	3.49
2014	4,111,083	1,049,414	3.92
2015	4,381,431	987,359	4.44
2016	4,521,600	987,030	4.58
2017	4,657,676	991,249	4.70
2018	4,898,846	992,760	4.93

⁽¹⁾ Revenue excludes change in fair value of investments and gain on sale of capital assets.

⁽²⁾ Expenses exclude depreciation.

⁽³⁾ Includes principal and interest of revenue bonds only.
It does not include debt defeasance transactions.

⁽⁴⁾ Required coverage is 1.10.

TABLE 15

Water Revenue Bonds					
Gross Revenue ⁽¹⁾	Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Debt Service ⁽³⁾	Coverage ⁽⁴⁾	
\$ 19,759,741	\$ 11,244,068	\$ 8,515,673	\$ 3,976,421	2.14	
21,234,416	11,414,457	9,819,959	3,309,151	2.97	
21,942,429	11,594,606	10,347,823	3,788,527	2.73	
21,236,252	11,331,352	9,904,900	4,456,810	2.22	
22,669,367	11,550,774	11,118,593	3,858,289	2.88	
22,470,142	11,865,011	10,605,131	3,126,000	3.39	
24,069,201	12,142,702	11,926,499	3,194,605	3.73	
25,544,277	13,260,368	12,283,909	3,233,251	3.80	
27,578,625	14,794,859	12,783,766	3,296,838	3.88	
27,329,670	14,992,883	12,336,787	3,400,428	3.63	

TOWN OF JUPITER, FLORIDA
Demographic and Economic Statistics
Last Ten Fiscal Years

TABLE 16

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽²⁾ (in millions)	Per Capita Personal Income ⁽²⁾	Unemploy- ment Rate ⁽³⁾	School Enrollment ⁽⁴⁾
2009	50,275	\$ 73,547	\$ 57,461	11.4%	9,558
2010	55,156	68,418	51,717	11.7%	9,610
2011	55,542	71,432	53,500	10.3%	9,588
2012	56,337	75,462	55,628	8.6%	9,659
2013	56,577	79,565	57,985	6.7%	9,439
2014	57,263	83,464	59,899	5.6%	9,615
2015	59,108	95,672	68,743	5.0%	9,608
2016	60,615	103,876	71,946	3.6%	9,819
2017	61,388	109,974	74,754	3.8%	10,106
2018	62,100	N/A	N/A	3.1%	10,187

Data Sources:

⁽¹⁾ **Source:** University of Florida, Bureau of Economic and Business Research.

⁽²⁾ **Source:** University of Florida, Bureau of Economic and Business Research. Data for Palm Beach County. Information not available for 2018.

⁽³⁾ **Source:** U.S. Department of Labor, Bureau of Labor Statistics. Data for Palm Beach County.

⁽⁴⁾ **Source:** School District of Palm Beach County.

N/A: Not available.

TOWN OF JUPITER, FLORIDA
Principal Employers
Current Year and Nine Years Ago

TABLE 17

Employer	2018 ⁽¹⁾			2009 ⁽¹⁾		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Palm Beach County School District	21,200	1	N/A	21,718	1	N/A
Tenet Healthcare Corp.	6,136	2	N/A	11,319	2	N/A
Palm Beach County	5,928	3	N/A	4,500	3	N/A
Florida Power & Light (Headquarters)	4,021	4	N/A	3,632	4	N/A
Hospital Corporation of America	3,550	5	N/A	3,395	5	N/A
Boca Raton Regional Hospital	2,800	6	N/A	2,100	9	N/A
Florida Atlantic University	2,761	7	N/A	2,838	7	N/A
Veterans Health Administration	2,468	8	N/A	2,207	8	-
Bethesda Health, Inc.	2,200	9	N/A	-	-	-
Office Depot, Inc. (Headquarters)	2,064	10	N/A	2,100	9	N/A
Wackenhut Corporation	-	-	-	3,000	6	N/A
Totals	53,128		N/A	56,809		N/A

⁽¹⁾ **Source:** Business Development Board of Palm Beach County. Data is for Palm Beach County.

N/A: Not available.

TOWN OF JUPITER, FLORIDA
Full-time Equivalent Town Employees by Function/Program
Last Ten Fiscal Years

TABLE 18

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Town Manager	3.5	3.5	3.5	3.5	3.5	3.5	3	4	4	4
Town Clerk	6.25	6	6	5	5	5	5	5	5	5
Finance	10	9	9	9.5	8.25	8	8	8	8	8
Human Resources	6.5	6.5	6	5.5	5.75	5	5	5	5	5
Information Systems	14	13	13	13	12	12	11	11	11	12
Neighborhoods	2.75	2.75	3.25	2.75	2.75	2.75	2.75	2.75	2.75	2.75
External Affairs	2.5	2.5	2.5	2.5	4	4	5	5	6	6
Special Projects	2	2	-	-	-	-	-	-	-	-
Public Safety										
Police Officers	110	110	110	110	109	109	112	116	116	118
Civilian Police	35	33.25	34	18	19	18	19	22	24	25
Engineering/Public Works										
Engineering	11	11	10	10	10	10	10	10	10	11
Public Works	25.5	24	21	21	21	20.5	22.5	20.5	20.5	19.5
Parks Maintenance	-	-	15	15	15	13	15	19	21	22
Culture and Recreation										
Parks and Recreation	35	34.5	17.75	17.75	16.75	17	17.5	17.5	18.88	18.88
Water System										
Plant	25	25	27	28	28	28	28	28	29	29
Field	13	13	14	11	15	15	17	17	17.5	17.5
Administration	25	22	20	18	16	16	16	17	18	18
Building Department										
Building	34	25	24	21.5	23	22	24	24	25	27
Planning	15.25	14.25	13.25	13.25	13	13.75	12.75	14.75	14.75	15.75
Business Registration	3	2	2	2	2.5	3	4.3	4.3	2.8	3
Code Enforcement	7	7	7	7	7	8	8	7	8	8
Stormwater System										
Field	3	3	5	4	4	4	5	5	5	5
Administration	3	3	2	4	4	3.5	3.5	3.5	4	4
Total	392.25	372.25	365.25	342.25	344.50	341.00	354.30	366.30	376.18	384.38

TOWN OF JUPITER, FLORIDA
Operating Indicators by Function/Program
Last Ten Fiscal Years

TABLE 19

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Police										
Physical arrests	1,403	1,197	1,146	1,102	1,184	1,351	1,186	1,483	1,535	1,659
Parking violations	1,288	1,114	1,347	1,655	1,299	1,241	1,036	1,164	1,409	1,041
Traffic violations	20,525	17,390	12,976	13,175	6,651	6,637	5,400	6,171	5,698	7,984
Code Compliance										
Code violations	4,022	3,455	3,738	3,516	3,591	2,069	3,447	2,352	3,316	3,257
Public Works										
Street resurfacing (lane miles)	10.77	2.5	6.28	1.14	6.92	17.43	4.5	8.5	1.4	8.5
Pot holes repaired	99	25	9	40	42	29	71	52	58	73
Culture and Recreation										
Parks and Recreation										
Recreation programs offered	483	517	611	642	633	591	537	519	520	525
Recreation program participants	15,051	18,235	19,710	29,066	45,731	49,055	59,425	71,073	71,849	79,034
Youth athletic participants (JTAA)	7,220	7,259	7,650	6,869	6,925	6,192	6,256	6,161	6,446	6,423
Camp program participants	741	978	929	929	1,144	1,586	1,912	1,876	2,032	2,203
Athletic camp participants	1,053	917	967	967	887	927	958	960	995	1,120
Skate park participants	13,242	14,040	12,477	13,582	14,182	16,004	15,782	22,922	21,803	22,675
Water System										
Water customers	27,061	27,343	27,597	27,924	28,415	28,900	29,180	29,484	29,778	30,087
Permitted Capacity per day (million gallons)	29.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Average daily water consumption (million gallons)	13.64	14.09	14.97	14.74	14.80	14.74	15.66	15.72	16.47	15.51
Building Department										
Building permits issued	5,317	5,442	5,659	6,199	7,568	8,930	8,222	6,297	7,646	8,898
Value of permits (in thousands)	\$ 92,896	\$ 133,352	\$ 126,173	\$ 147,459	\$ 330,520	\$ 308,242	\$ 235,345	\$ 208,708	\$ 175,709	\$ 261,372
Stormwater System										
Stormwater customers	21,175	21,224	21,625	21,709	22,161	22,518	22,600	22,820	22,993	23,155

Sources: Town departments

TOWN OF JUPITER, FLORIDA
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

TABLE 20

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	135	154	149	147	158	148	150	148	148	147
Code Compliance										
Vehicles	6	7	6	8	8	8	8	8	9	9
Engineering and Public Works										
Centerline road miles	115.30	116.21	118.59	119.08	121.45	126.50	139.21	139.21	138.93	142.79
Culture and Recreation										
Parks and Recreation										
Community Center	1	1	1	1	1	1	1	1	1	1
Civic Center	1	1	1	1	1	1	1	1	1	1
Ballfields - lighted	22	22	22	22	22	22	26	26	26	26
Basketball courts	12	12	12	12	12	12	12	12	12	12
Multi-purpose fields	12	12	12	12	12	12	16	16	16	16
Tennis courts	14	14	14	14	14	14	14	14	14	14
Parks	17	17	17	17	17	17	17	17	17	18
Parks (acres)	265	265	265	265	265	265	265	265	265	278
Water System										
Water mains (miles)	444	444	447	454	458	462.3	466.7	468.0	469.8	473.5
Plants	1	1	1	1	1	1	1	1	1	1
Fire hydrants	3,356	3,414	3,428	3,502	3,542	3,596	3,621	3,646	3,717	3,711
Building Department										
Vehicles	26	13	13	11	10	9	9	9	9	9
Stormwater System										
Stormwater sewers (miles)	76	76	80	80	86	86	86.3	93.8	93.8	92.7

Source: Town departments.

TOWN OF JUPITER, FLORIDA
Schedule of Insurance in Force
As of September 30, 2018

TABLE 21

Type of Coverage	Coverage Amount	
Property	\$ 133,370,982	(1, 10)
Equipment Breakdown	50,000,000	(1, 10)
Inland Marine	3,101,450	(1, 10)
Ocean Marine	295,432	(13, 17)
Crime/Employee Dishonesty	250,000	(1, 9)
General Liability	2,000,000 per claim/no aggregate	(1, 6, 9)
Law Enforcement Liability	1,000,000/1,000,000	(1, 2, 7)
Automobile Liability	1,000,000	(1)
Automobile Physical Damage	ACV or repair	(1, 15)
Public Officials & Employment Practices Liability	1,000,000/1,000,000	(1, 7)
Workers' Compensation	Statutory	(1)
Employers' Liability Limit for Workers Compnesation	1,000,000	(1, 18)
Environmental Insurance (Pollution)	1,000,000/1,000,000	(7, 12)
Railroad Protective Liability	2,000,000/6,000,000	(8, 14)
Police - Statutory Accidental Death and Dismemberment	199,000 66,000 66,000	(5, 11) (5, 11) (5, 11)
CRA (Director & Officers including Employment Practices)	1,000,000 Aggregate	(7, 16)
Life Insurance	200,000	(3, 19)
AD&D Insurance	200,000	(3, 19)
Medical - HMO	Unlimited	(4, 19)
Medical - HSA	Unlimited	(4, 19)
General Liability (Additional Insured Locations/Events)	1,000,000/2,000,000	(20, 21)

- (1) Coverage is through Preferred Governmental Insurance Trust
- (2) Coverage is per person/per occurrence
- (3) Coverage is based on Class of eligible employee and salary to a maximum of \$200,000
- (4) Lifetime maximum per individual
- (5) Coverage is mandated by Florida Statute and adjusted for cost of living based upon a formula
- (6) Coverage applicable to claims \$2,000,000 per occurrence Note No aggregate on Bodily Injury, Property Damage or Employee benefits liability
- (7) Coverage applicable to claims \$1,000,000 per occurrence, \$1,000,000 aggregate
- (8) Coverage applicable to claims \$2,000,000 per occurrence, \$6,000,000 aggregate for annual maintenance and upkeep of land in right of way of railroad
- (9) Coverage is per occurrence
- (10) Coverage is based upon property schedule
- (11) Coverage is through Ace American Insurance Company
- (12) Coverage is through Indian Harbor Insurance Company
- (13) Coverage is through Great American Insurance Company
- (14) Coverage is through Hudson Insurance Company
- (15) Actual Cash Value at the time of loss minus deductible
- (16) Coverage is through Executive Risk Indemnity, Inc
- (17) Coverage based on Ocean Marine Application
- (18) Coverage applicable to Bodily Injury by accident \$1,000,000; Bodily Injury by Disease Agreement Limit \$1,000,000; and Bodily Injury by Disease each employee \$1,000,000
- (19) Coverage through Cigna
- (20) Coverage is through Nautilus Insurance Company
- (21) Coverage applicable to claims \$1,000,000 per occurrence, \$2,000,000 aggregate

TOWN OF JUPITER, FLORIDA
Salaries of Principal Officials
For the Year Ended September 30, 2018

TABLE 22

<u>Official</u>	<u>Annual Salary</u>
Mayor	\$ 22,200
Council (4 members)	18,600 (per member)
Town Manager	226,986
Chief of Police	152,603
Utilities Director	152,603
Engineering and Public Works Director	145,250
Finance Director	145,250
Business Development Director	141,707
Assistant Town Manager	158,183
Planning and Zoning Director	141,707
Building Department Director	141,543
Town Clerk	129,886
Information Systems Director	112,547
Community Relations Director	119,989
Recreation Director	107,258
Human Resources Director	96,775

**COMPLIANCE REPORTS AND
MANAGEMENT LETTER**



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Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With Government Auditing Standards

To the Honorable Mayor and
Members of the Town Council
Town of Jupiter, Florida

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Jupiter, Florida, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town of Jupiter, Florida, and have issued our report thereon dated February 25, 2019. Our report includes a reference to another auditor who audited the financial statements of the Municipal Police Officers' Retirement Trust Fund, the fiduciary fund of the Town, as described in our report on the financial statements of the Town of Jupiter, Florida. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by that auditor.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) of the Town of Jupiter, Florida, to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Town of Jupiter, Florida. Accordingly, we do not express an opinion on the effectiveness of the internal control of the Town of Jupiter, Florida.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Town of Jupiter, Florida, are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

West Palm Beach, Florida
February 25, 2019

TOWN OF JUPITER, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2018

Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Number/ Pass-through Entity Identifying Number	2018 Program Expenditures
FEDERAL AWARDS			
U.S. Department of Housing and Urban Development			
Direct Awards			
Community Development Block Grants/Entitlement Grants	14.218	B-15-MC-12-0059	\$ 12,467
Community Development Block Grants/Entitlement Grants	14.218	B-16-MC-12-0059	122,236
Community Development Block Grants/Entitlement Grants	14.218	B-17-MC-12-0059	156,980
Total U.S. Department of Housing and Urban Development			<u>291,683</u>
U.S. Department of Justice			
Direct Award			
Equitable Sharing Program	16.922	N/A	179,947
Pass-through Award from the State of Florida			
Florida Department of Law Enforcement			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-JAGC-PALM-3-R3-255	555
Total U.S. Department of Justice			<u>180,502</u>
U.S. Department of Transportation			
Pass-through Awards from the State of Florida			
Florida Department of Transportation			
State and Community Highway Safety	20.600	SC-18-13-08	27,781
National Priority Safety Programs	20.616	M5HVE-18-06-20	15,190
National Priority Safety Programs	20.616	M2HVE-18-20-13	13,872
Total U.S. Department of Transportation			<u>56,843</u>
U.S. Department of the Treasury			
Direct Award			
Equitable Sharing Program	21.016	N/A	292,791
Total U.S. Department of the Treasury			<u>292,791</u>
Department of Homeland Security - Federal Emergency Management Agency (FEMA)			
Pass-through Award from the State of Florida			
Florida Division of Emergency Management			
Public Assistance Program	97.036	Z0245	27,450
Total Department of Homeland Security			<u>27,450</u>
Total Federal Awards			<u><u>\$ 849,269</u></u>

See notes to schedule of expenditures of federal awards.

TOWN OF JUPITER, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

September 30, 2018

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the Federal grant activity of the Town of Jupiter, Florida (the "Town"), under programs of the Federal government for the year ended September 30, 2018. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position or changes in net position, or cash flows of the Town. Expenditures of State financial assistance for the year ended September 30, 2018 did not exceed the \$750,000 threshold for a State Single Audit.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - INDIRECT COST RATE

The Town has elected to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

The Town made no payments to subrecipients from Federal awards for the year ended September 30, 2018.

NOTE E - CONTINGENCY

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. In the opinion of management, all grant expenditures were in substantial compliance with the terms of the grant agreements and applicable Federal statutes and regulations.



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**Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

To the Honorable Mayor and Members
of the Town Council
Town of Jupiter, Florida

Report on Compliance for Each Major Federal Program

We have audited the Town of Jupiter, Florida's (the "Town") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major Federal programs for the year ended September 30, 2018. The Town's major Federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Jupiter, Florida, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended September 30, 2018.

Report on Internal Control Over Compliance

Management of the Town of Jupiter, Florida, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

West Palm Beach, Florida
February 25, 2019

TOWN OF JUPITER, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARD PROGRAMS

For the Year Ended September 30, 2018

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified Opinion*
Internal control over financial reporting:
Material weakness(es) identified? Yes No
Significant deficiency (ies) identified that are not
considered to be material weakness? Yes None reported
Noncompliance material to financial statements noted? Yes No

Federal Award Programs

Internal control over major Federal Award Programs:
Material weakness(es) identified? Yes No
Significant deficiency (ies) identified that are not
considered to be material weakness? Yes None reported
Type of auditor's report issued on compliance for major
Federal Programs *Unmodified Opinion*
Any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major Federal Award Programs

Federal Award Programs

CFDA No.

U.S. Department of Justice
Direct Award
Equitable Sharing Program 16.922
U.S. Department of the Treasury
Direct Award
Equitable Sharing Program 21.016

Dollar threshold used to distinguish between Type A
and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes No

TOWN OF JUPITER, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARD PROGRAMS (Continued)

For the Year Ended September 30, 2018

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD PROGRAMS FINDINGS AND QUESTIONED COSTS

None

SECTION IV - OTHER MATTERS

A Corrective Action Plan is not required because there were no audit findings reported.

A Summary Schedule of Prior Audit Findings is not required because there were no prior audit findings reported.



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Management Letter

To the Honorable Mayor and
Members of the Town Council
Town of Jupiter, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Jupiter, Florida (the "Town"), as of and for the year ended September 30, 2018, and have issued our report thereon dated February 25, 2019. Our report included a reference to another auditor.

Auditor's Responsibility

We conducted our audit in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Florida 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*; Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on Investment Compliance on our 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 and schedule, which are dated February 25, 2019, 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 annual financial audit report. There were no audit findings and recommendations reported in our prior year reports.

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 is disclosed in Note A to the financial statements. Also, as discussed in Note A, the Town included the Jupiter Community Redevelopment Agency as a component unit of the Town.

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 has 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 did not meet any of the conditions described in Section 218.503(1), Florida Statutes, as of and for the year ended September 30, 2018.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Town as of September 30, 2018. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. The results of our procedures disclosed no 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.d., 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.

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 State grantor agencies and the Town Council and management of the Town of Jupiter, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

*Caleb Dauter, Levine,
Cohen, Porter & Veil, P.A.*

West Palm Beach, Florida
February 25, 2019



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Independent Accountant's Report on Investment Compliance

To the Honorable Mayor and
Members of the Town Council
Town of Jupiter, Florida

We have examined the Town of Jupiter's compliance with Section 218.415, Florida Statutes, during the year ended September 30, 2018. Management of the Town of Jupiter (the "Town") is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, 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.

Our examination does not provide a legal determination on the Town's compliance with specified requirements.

In our opinion, the Town of Jupiter complied, in all material respects, with Section 218.415, Florida Statutes, during the year ended September 30, 2018.

This report is intended to describe our testing of compliance with Section 218.415, Florida Statutes, and is not suitable for any other purpose.

*Caler, Donten, Levine,
Cohen, Porter & Veil, P.A.*

West Palm Beach, Florida
February 25, 2019