

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
TOWN OF JUPITER, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2019**



**Prepared By:
Finance Department**

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

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION



TOWN OF JUPITER

March 17, 2020

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, 2019, 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, 2019 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 annual rate of 1.31 percent over the next 15 years, with corresponding increases in service businesses and light industry. The County's median family income is \$79,760 and the October 2019 unemployment rate was 3.4%.

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, and by targeting industries, the Town has created a diversified economy in relation to its current economic base. Traditional job creation efforts 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, indicates stable growth in job creation and economic activity well into 2020 and beyond. With the stabilization and increase in 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's 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 costs 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 of the Town's 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. 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 146 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 approximately \$4.3 million over the next five years through its neighborhood repaving program.

- **Open Space Properties** – In March of 2019, Jupiter voters approved a referendum authorizing the Town to issue up to \$20 million in general obligation bonds for the purpose of acquiring land that is environmentally sensitive, waterfront and recreational lands, lands for open space, archaeological or historic preservation as well as traffic mitigation. All of which will be accessible and benefit the public for years in the future.
- **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 Road 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 Florida Department of Transportation (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 a new hardened data center and the incorporation of a new emergency operations center. This project has entered the construction stage and will be complete in late summer of 2020. In addition to the new Police Department and Data Center the facility will act as the emergency operations center for the Town during hurricanes and is being built to withstand category five storms. The addition of the new police facility also includes the construction of a veteran’s memorial to be placed on the Town campus. The project is currently estimated to cost approximately \$20 million and is to be funded through a blend of existing infrastructure surtax fund’s, FEMA grant funds, general revenues and enterprise fund contributions.
- **Indiantown Road East of US1** - This project is to make road improvements to Indiantown Road 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 \$4.2 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.

Infrastructure Sales Surtax

On November 8, 2016 the voters of Palm Beach County approved a referendum to levy an additional one-cent sales surtax 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 monthly by the State Department of Revenue, and began in January 2017. Over the life of the adopted 10 year referendum, the Town’s collections are estimated to be approximately \$40,000,000.

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.

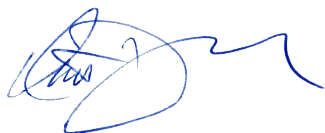
Awards: The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2018, the thirtieth consecutive year the Town has received this prestigious 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, 2018

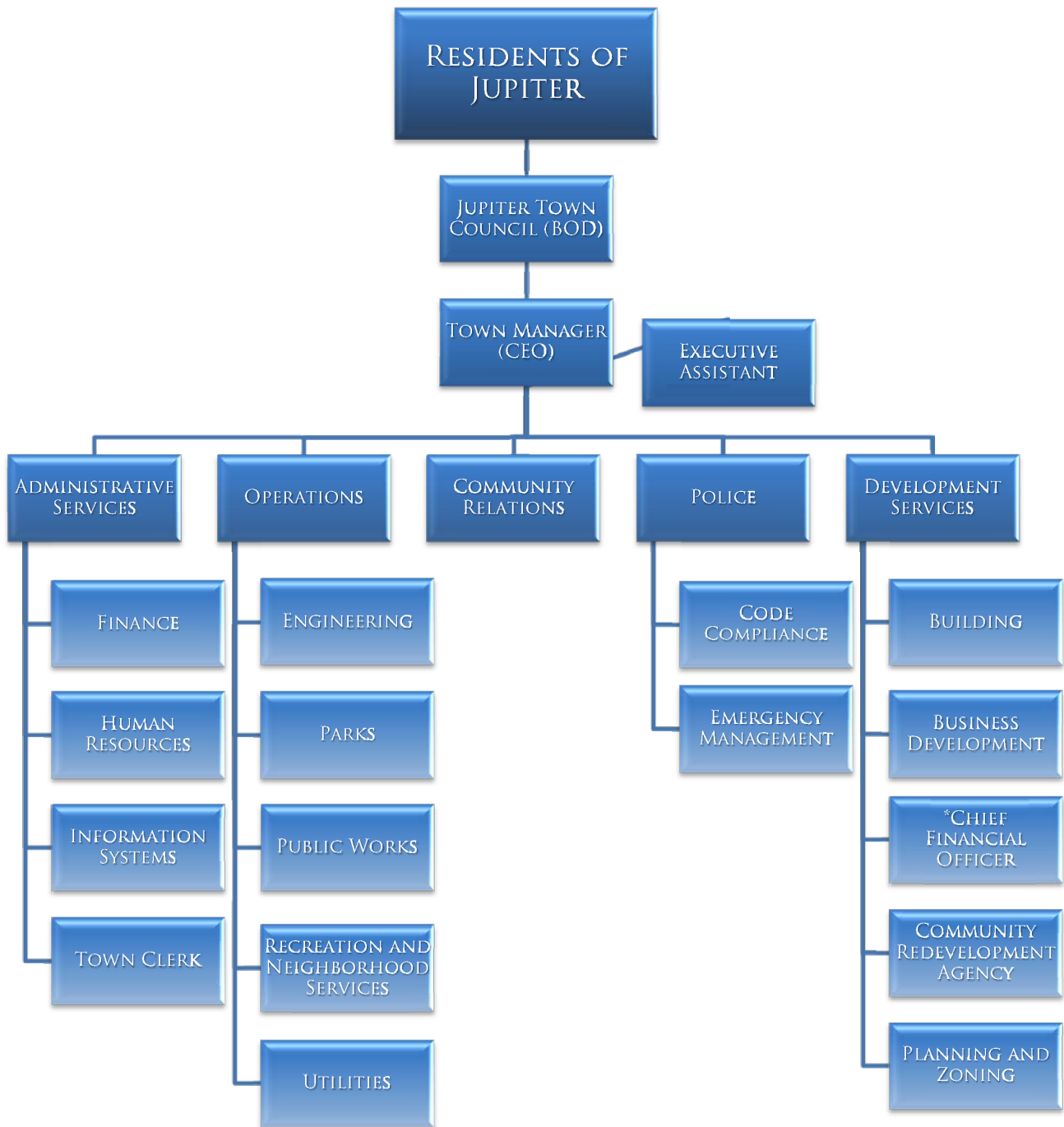
Christopher P. Morill

Executive Director/CEO

**TOWN OF JUPITER
LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2019**

Mayor	Todd R. Wodraska
Vice-mayor	Jim Kuretski
Councilor	Ilan G. Kaufer
Councilor	Ron Delaney
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
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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, 2019, 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 89%, 89% 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, 2019, 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.

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 71 to 76, the pension information on pages 77 to 87 and the other postemployment benefits information on page 88 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 combining fund financial statements and individual fund budgetary comparison schedules 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 and individual fund budgetary comparison schedules 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 March 17, 2020, 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.

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

West Palm Beach, Florida
March 17, 2020

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, 2019.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$463,338,165 (*total net position*). Of this amount, \$138,695,858 (*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 \$26,129,743. Approximately 76% of this increase is attributable to governmental activities and 24% 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 \$81,673,507, an increase of \$14,659,272 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 \$39,570,998, or 82% 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 \$4,978,000 (15%) 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 for 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 26-70 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 71-76 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 77-88.

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 89-95.

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 \$463,338,165 at the close of the most recent fiscal year. The Town’s net position at September 30, 2019 and 2018 is summarized as follows:

Net Position						
(Amounts in Thousands)						
	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Assets						
Current and other assets	\$ 92,774	\$ 76,322	\$ 112,021	\$ 109,095	\$ 204,795	\$ 185,417
Capital assets	<u>114,792</u>	<u>109,454</u>	<u>220,051</u>	<u>217,641</u>	<u>334,843</u>	<u>327,095</u>
Total assets	<u>207,566</u>	<u>185,776</u>	<u>332,072</u>	<u>326,736</u>	<u>539,638</u>	<u>512,512</u>
Deferred Outflows of Resources						
	<u>6,671</u>	<u>7,571</u>	<u>2,607</u>	<u>2,986</u>	<u>9,278</u>	<u>10,557</u>
Liabilities						
Long-term liabilities outstanding	39,783	38,843	27,322	28,862	67,105	67,705
Other liabilities	<u>10,486</u>	<u>8,716</u>	<u>5,269</u>	<u>4,840</u>	<u>15,755</u>	<u>13,556</u>
Total liabilities	<u>50,269</u>	<u>47,559</u>	<u>32,591</u>	<u>33,702</u>	<u>82,860</u>	<u>81,261</u>
Deferred Inflows of Resources						
	<u>2,126</u>	<u>3,935</u>	<u>592</u>	<u>665</u>	<u>2,718</u>	<u>4,600</u>
Net Position						
Net investment in capital assets	106,249	98,252	201,690	197,011	307,939	295,263
Restricted	12,164	16,121	4,539	4,167	16,703	20,288
Unrestricted	<u>43,429</u>	<u>27,480</u>	<u>95,267</u>	<u>94,177</u>	<u>138,696</u>	<u>121,657</u>
Total net position	<u>\$ 161,842</u>	<u>\$ 141,853</u>	<u>\$ 301,496</u>	<u>\$ 295,355</u>	<u>\$ 463,338</u>	<u>\$ 437,208</u>

The largest portion of the Town’s net position (66%) 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 (4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$138.7 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 \$26.1 million during 2019. Approximately 72% 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, 2019 and 2018 are summarized as follows:

	Changes in Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Charges for services	\$ 9,773	\$ 9,214	\$ 36,155	\$ 34,629	\$ 45,928	\$ 43,843
Operating contributions and grants	2,212	2,251	40	247	2,252	2,498
Capital contributions and grants	4,343	3,386	2,869	4,344	7,212	7,730
General revenues						
Property taxes	29,327	27,999	-	-	29,327	27,999
Other taxes	23,361	22,988	-	-	23,361	22,988
Intergovernmental not restricted to specific programs	2,051	1,964	-	-	2,051	1,964
Investment earnings and other income	<u>2,901</u>	<u>1,029</u>	<u>1,864</u>	<u>969</u>	<u>4,765</u>	<u>1,998</u>
Total revenues	<u>73,968</u>	<u>68,831</u>	<u>40,928</u>	<u>40,189</u>	<u>114,896</u>	<u>109,020</u>
Expenses						
General government	19,486	19,391	-	-	19,486	19,391
Public safety	24,692	23,181	-	-	24,692	23,181
Engineering and public works	9,982	9,478	-	-	9,982	9,478
Culture and recreation	4,401	4,042	-	-	4,401	4,042
Interest on debt	653	762	-	-	653	762
Water System	-	-	22,596	22,049	22,596	22,049
Stormwater	-	-	2,847	2,371	2,847	2,371
Building	-	-	4,109	3,751	4,109	3,751
Total expenses	<u>59,214</u>	<u>56,854</u>	<u>29,552</u>	<u>28,171</u>	<u>88,766</u>	<u>85,025</u>
Increase in net position before transfers	14,754	11,977	11,376	12,018	26,130	23,995
Transfers	<u>5,235</u>	<u>157</u>	<u>(5,235)</u>	<u>(157)</u>	<u>-</u>	<u>-</u>
Increase in net position	19,989	12,134	6,141	11,861	26,130	23,995
Net position - beginning	141,853	132,169	295,355	283,744	437,208	415,913
Restatement for implementation of GASB Statements	<u>-</u>	<u>(2,450)</u>	<u>-</u>	<u>(250)</u>	<u>-</u>	<u>(2,700)</u>
Net position - beginning, as restated	<u>141,853</u>	<u>129,719</u>	<u>295,355</u>	<u>283,494</u>	<u>437,208</u>	<u>413,213</u>
Net position - end of year	<u>\$ 161,842</u>	<u>\$ 141,853</u>	<u>\$ 301,496</u>	<u>\$ 295,355</u>	<u>\$ 463,338</u>	<u>\$ 437,208</u>

Governmental activities. Governmental activities increased the Town’s net position by \$19,988,542, thereby accounting for 76% of the total growth in the net position of the Town. Revenues were approximately \$5,137,000 more than the prior year. The key elements of this increase were due to 1) a \$1,328,000 increase in property taxes due to increased property valuations and new construction activity; 2) an increase of \$1,872,000 in investment earnings and other income, primarily to investing surplus cash into a new money market account; 3) an increase of \$957,000 in capital contributions and grants; and 4) an increase of \$559,000 in revenue from charges for services.

Business-type activities. Business-type activities increased the Town’s net position by \$6,141,201, thereby accounting for 24% 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 \$1,126,000 lower than the prior year due to an increase in transfers out of approximately \$1,743,000, offset by an increase year over year in investment earnings of approximately \$423,000.
- The Stormwater Utility change in net position was approximately \$1,126,000 lower than the prior year due primarily to a decrease in operating income of \$238,000 and a decrease of \$768,000 in capital contributions.
- The Building department change in net position was approximately \$3,468,000 lower than the prior year due to a decrease in operating income of approximately \$337,000 related to increases in personal services and general operating expenses and an increase in transfers out of approximately \$3,246,000.

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 \$81,673,507, an increase of \$14,659,272 from the prior year. Approximately 43% of the total fund balance at September 30, 2019 (\$34,874,111) 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	\$ 5,136,120	6%
Restricted	12,664,375	15%
Assigned	28,998,901	36%

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 \$39,570,998, while total fund balance was \$46,906,720. 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 82% of total General Fund expenditures for 2019, while total fund balance represents 98% of that same amount. The fund balance of the Town’s General Fund increased by \$6,590,055 during the current fiscal year as compared to an increase of \$2,177,007 for the prior year. The key factors contributing to the change were an: increase in taxes of \$1,129,000, increase in charges for services of \$866,000, and increase in investment earnings of approximately \$1,672,000 and an overall decrease in the remaining revenue categories totaling \$199,000. In addition, expenditures decreased related to general government (\$262,000), engineering and public works (\$224,000) and capital outlay (\$332,000), offset by an increase in public safety expenditures (\$301,000).

The Community Redevelopment Fund (CRA) had a fund balance deficit of \$4,619,834, 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 2019 of \$100,452 as compared to \$1,043,517 for the prior year. The key factors contributing to the change were a small increase in tax increment revenues (\$123,000), a small decrease in general government expenditures (\$63,000), an increase in capital outlay expenditures (\$706,000) and a decrease in net transfers in (\$438,000).

The Capital Improvements Fund has a total fund balance of \$28,998,901 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 \$12,691,412 as compared to \$502,433 for the prior year, primarily as a result of an increase in net transfers in of \$15,265,000 and an increase in capital outlay of approximately \$3,213,000.

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 \$72,085,290; \$6,672,325; and, \$16,509,329; respectively. The total growth in net position of the Water System Fund and Stormwater Fund was \$6,197,224 and \$1,846,327, respectively, and the Building Fund net position decreased by \$1,902,350. 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 \$669,000 in appropriations for 2019 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 \$166,000 was approved federal forfeiture funds, insurance repairs due to accidents, town hall building improvements, business grants and the Town's wellness program.
- \$26,883 was appropriated for a police patrol vehicle and ballistic vest.
- \$209,587 was appropriated for Public Works heavy equipment.
- \$266,193 in additional solid waste fees were appropriated at year-end

During the year, actual revenues were approximately \$2,556,000 more than budgetary estimates due primarily to increased collections for state shared revenues (\$463,000), investment earnings (\$1,706,000) and miscellaneous (\$165,000). Actual expenditures and other financing uses were under budget by approximately \$2,804,000 due to savings in various departments as follows: general government (\$1,698,000), public safety (\$205,000), engineering and public works (\$573,000) and culture and recreation (\$327,000).

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, 2019, amounts to \$334,843,625 (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 \$7,748,000 or 2% (69% of which came from governmental activities).

The Town's capital assets at September 30, 2019 and 2018 are summarized as follows:

Capital Assets

(Amounts in Thousands, net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 45,054	\$ 45,054	\$ 569	\$ 569	\$ 45,623	\$ 45,623
Construction in progress	3,270	-	5,893	3,116	9,163	3,116
Buildings	6,142	6,699	64,911	67,603	71,053	74,302
Improvements	27,788	28,692	139,334	136,928	167,122	165,620
Machinery and Equipment	3,155	3,241	9,344	9,425	12,499	12,666
Infrastructure	<u>29,383</u>	<u>25,768</u>			<u>29,383</u>	
Total assets	<u>\$ 114,792</u>	<u>\$ 109,454</u>	<u>\$ 220,051</u>	<u>\$ 217,641</u>	<u>\$ 334,843</u>	<u>\$ 327,095</u>

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

- The construction of the Town's new municipal complex.
- 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.
- Continuing well rehabilitation program in the water utility.
- Improvements to water processing equipment.
- Continuing drainage and swale rehabilitation programs to improve the quality of stormwater runoff.
- On-going investment in the police vehicle replacement program.
- A continuing reinvestment in the Town's sidewalk and street 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 \$27,657,431. Of this amount, \$8,105,000 is general obligation bonded debt and \$979,931 is revenue bonded debt for which the Town has pledged sales taxes. The remainder of the Town's debt of \$18,572,500 represents bonds and loans secured solely by the net revenues of the Enterprise Funds. The Town's total debt decreased by approximately \$4,978,000 or 15% during the current fiscal year, due to the retirement of maturing debt. The Town's outstanding debt at September 30, 2019 and 2018 is summarized as follows:

Outstanding Debt

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 8,105	\$ 9,815	\$ -	\$ -	\$ 8,105	\$ 9,815
Sales tax revenue bonds	980	1,936	-	-	980	1,936
Water System revenue bonds/note	<u>-</u>	<u>-</u>	<u>18,573</u>	<u>20,885</u>	<u>18,573</u>	<u>20,885</u>
Total debt	<u>\$ 9,085</u>	<u>\$ 11,751</u>	<u>\$ 18,573</u>	<u>\$ 20,885</u>	<u>\$ 27,658</u>	<u>\$ 32,636</u>

The Town as a whole has maintained 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 \$1.97 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 2020 General Fund budget is approximately \$555,612,000, or an increase of approximately \$2,805,000 over the original budget adopted for 2019. During the current fiscal year, unassigned fund balance in the General Fund increased by \$6,158,424 to \$39,570,998. The following factors were considered in preparing the Town’s budget for the 2020 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, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 54,285,163	\$ 46,003,010	\$ 100,288,173
Investments	33,874,076	54,964,901	88,838,977
Accounts receivable, net	1,896,343	1,588,183	3,484,526
Grants receivable	105,630	-	105,630
Interest receivable	73,995	40,010	114,005
Inventory	20,970	651,808	672,778
Prepaid expenses	20,991	14,213	35,204
Restricted assets			
Restricted cash and cash equivalents	-	3,657,903	3,657,903
Restricted investments	2,301,443	1,103,966	3,405,409
Notes receivable	194,860	-	194,860
Noncurrent receivables	-	3,997,026	3,997,026
Capital assets, not being depreciated			
Land	45,053,753	569,123	45,622,876
Construction in progress	3,269,841	5,893,245	9,163,086
Capital assets, net of accumulated depreciation			
Buildings and plant	6,142,119	64,911,325	71,053,444
Improvements	27,788,058	139,334,042	167,122,100
Machinery and equipment	3,154,912	9,343,614	12,498,526
Infrastructure	29,383,593	-	29,383,593
Total Assets	<u>207,565,747</u>	<u>332,072,369</u>	<u>539,638,116</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refundings	-	211,349	211,349
Deferred amount related to pensions	6,670,561	2,395,174	9,065,735
Total Deferred Outflows of Resources	<u>6,670,561</u>	<u>2,606,523</u>	<u>9,277,084</u>
LIABILITIES			
Accounts payable	3,243,233	1,756,055	4,999,288
Accrued expenses	1,432,209	293,906	1,726,115
Deposits	5,442,942	1,604,867	7,047,809
Unearned revenue	367,670	1,391,369	1,759,039
Liabilities payable from restricted assets	-	222,643	222,643
Noncurrent liabilities			
Due within one year			
Compensated absences	242,000	110,000	352,000
Bonds and notes	2,764,931	-	2,764,931
Due in more than one year			
Tax increment incentive	704,510	-	704,510
Compensated absences	3,509,393	867,930	4,377,323
Bonds and notes	6,278,837	18,572,500	24,851,337
Total OPEB liability	2,900,243	362,787	3,263,030
Net pension liability	23,382,980	7,408,696	30,791,676
Total Liabilities	<u>50,268,948</u>	<u>32,590,753</u>	<u>82,859,701</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amount related to OPEB	153,846	19,244	173,090
Deferred amount related to pensions	1,971,717	572,527	2,544,244
Total Deferred Inflows of Resources	<u>2,125,563</u>	<u>591,771</u>	<u>2,717,334</u>
NET POSITION			
Net investment in capital assets	106,249,231	201,690,198	307,939,429
Restricted for:			
Debt retirement	2,029,608	484,750	2,514,358
Capital projects	7,647,588	4,054,476	11,702,064
Law enforcement	685,736	-	685,736
Economic development	1,800,720	-	1,800,720
Unrestricted	43,428,914	95,266,944	138,695,858
Total Net Position	<u>\$ 161,841,797</u>	<u>\$ 301,496,368</u>	<u>\$ 463,338,165</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, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
GOVERNMENTAL ACTIVITIES				
General government	\$ 19,486,317	\$ 2,462,897	\$ 517,950	\$ 3,693,575
Public safety	24,691,487	876,948	949,002	29,227
Engineering and public works	9,981,890	5,089,779	745,204	397,096
Culture and recreation	4,401,313	1,342,961	-	222,852
Interest on long-term debt	652,880	-	-	-
Total Governmental Activities	59,213,887	9,772,585	2,212,156	4,342,750
BUSINESS-TYPE ACTIVITIES				
Water system	22,595,973	27,626,343	18,734	1,434,266
Stormwater	2,846,895	3,178,624	21,566	1,434,280
Building	4,108,850	5,349,574	-	-
Total Business-type Activities	29,551,718	36,154,541	40,300	2,868,546
Total	\$ 88,765,605	\$ 45,927,126	\$ 2,252,456	\$ 7,211,296

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

Net position at end of year

Net Revenues (Expenses) and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (12,811,895)	\$ -	\$ (12,811,895)
(22,836,310)	-	(22,836,310)
(3,749,811)	-	(3,749,811)
(2,835,500)	-	(2,835,500)
(652,880)	-	(652,880)
(42,886,396)	-	(42,886,396)
-	6,483,370	6,483,370
-	1,787,575	1,787,575
-	1,240,724	1,240,724
-	9,511,669	9,511,669
(42,886,396)	9,511,669	(33,374,727)
29,327,134	-	29,327,134
4,796,053	-	4,796,053
5,082,420	-	5,082,420
2,604,323	-	2,604,323
9,475,646	-	9,475,646
1,402,154	-	1,402,154
2,051,360	-	2,051,360
2,901,309	1,859,551	4,760,860
-	4,520	4,520
5,234,539	(5,234,539)	-
62,874,938	(3,370,468)	59,504,470
19,988,542	6,141,201	26,129,743
141,853,255	295,355,167	437,208,422
<u>\$ 161,841,797</u>	<u>\$ 301,496,368</u>	<u>\$ 463,338,165</u>

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

TOWN OF JUPITER, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2019

	Major Governmental Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Community Redevelopment Fund	Capital Improvements Fund		
ASSETS					
Cash and cash equivalents	\$ 25,985,117	\$ 2,539,245	\$ 16,358,733	\$ 9,402,068	\$ 54,285,163
Investments	17,385,772	-	15,502,652	985,652	33,874,076
Accounts receivable, net	1,895,818	525	-	-	1,896,343
Grants receivable	3,630	-	102,000	-	105,630
Interest receivable	73,995	-	-	-	73,995
Due from other funds	4,908,899	-	1,330,183	-	6,239,082
Inventory	20,970	-	-	-	20,970
Prepaid items	18,025	2,966	-	-	20,991
Restricted investments	1,800,720	-	500,723	-	2,301,443
Notes receivable	111,173	83,687	-	-	194,860
Total Assets	<u>\$ 52,204,119</u>	<u>\$ 2,626,423</u>	<u>\$ 33,794,291</u>	<u>\$ 10,387,720</u>	<u>\$ 99,012,553</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)					
LIABILITIES					
Accounts payable	\$ 2,101,336	\$ 98,240	\$ 1,043,657	\$ -	\$ 3,243,233
Accrued liabilities	1,341,609	704,510	-	-	2,046,119
Due to other funds	-	6,239,082	-	-	6,239,082
Deposits	1,570,971	120,238	3,751,733	-	5,442,942
Total Liabilities	<u>5,013,916</u>	<u>7,162,070</u>	<u>4,795,390</u>	<u>-</u>	<u>16,971,376</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	283,483	84,187	-	-	367,670
FUND BALANCES (DEFICIT)					
Nonspendable:					
Inventory	20,970	-	-	-	20,970
Prepaid items	18,025	2,966	-	-	20,991
Advance due from other fund	4,908,899	-	-	-	4,908,899
Notes receivable	111,173	74,087	-	-	185,260
Restricted for:					
Debt service	-	-	-	2,029,608	2,029,608
Capital projects	-	-	-	8,148,311	8,148,311
Law enforcement	475,935	-	-	209,801	685,736
Economic development	1,800,720	-	-	-	1,800,720
Assigned to:					
Capital projects	-	-	28,998,901	-	28,998,901
Unassigned:					
General Fund	39,570,998	-	-	-	39,570,998
Special Revenue Fund deficit	-	(4,696,887)	-	-	(4,696,887)
Total Fund Balances (Deficit)	<u>46,906,720</u>	<u>(4,619,834)</u>	<u>28,998,901</u>	<u>10,387,720</u>	<u>81,673,507</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	<u>\$ 52,204,119</u>	<u>\$ 2,626,423</u>	<u>\$ 33,794,291</u>	<u>\$ 10,387,720</u>	<u>\$ 99,012,553</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, 2019

Total governmental fund balances		\$ 81,673,507
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.		114,792,276
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.		41,163
Accrued interest on bonds payable is not due and payable in the current period and, therefore, is not reported in the funds.		(90,600)
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	6,670,561	
Deferred inflows related to other postemployment benefits liability	(153,846)	
Deferred inflows related to pensions	<u>(1,971,717)</u>	
		4,544,998
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences	(3,751,393)	
Bonds and notes payable	(9,084,931)	
Other postemployment benefits liability	(2,900,243)	
Net pension liability	<u>(23,382,980)</u>	
		<u>(39,119,547)</u>
Total net position		<u><u>\$ 161,841,797</u></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, 2019

	Major Governmental Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Community Redevelopment Fund	Capital Improvements Fund		
REVENUES					
Taxes	\$ 30,979,279	\$ 1,396,489	\$ 3,865,370	\$ 2,174,893	\$ 38,416,031
Franchise fees	4,796,053	-	-	-	4,796,053
Licenses and permits	586,778	-	-	392,565	979,343
Intergovernmental	3,180,692	-	164,682	9,485,166	12,830,540
Charges for services	8,873,300	95,360	-	-	8,968,660
Fines and forfeitures	217,147	-	-	-	217,147
Investment earnings	2,357,108	28,910	490,306	24,985	2,901,309
Donations	19,315	-	145,540	-	164,855
Miscellaneous	390,700	-	612,835	59,974	1,063,509
Total Revenues	<u>51,400,372</u>	<u>1,520,759</u>	<u>5,278,733</u>	<u>12,137,583</u>	<u>70,337,447</u>
EXPENDITURES					
Current					
General government	15,591,434	715,295	188,420	-	16,495,149
Public safety	22,508,839	-	-	25,131	22,533,970
Engineering and public works	7,167,840	-	1,564,222	-	8,732,062
Culture and recreation	2,472,759	-	898,169	-	3,370,928
Capital outlay	352,003	735,494	5,378,809	-	6,466,306
Debt service					
Principal	-	-	-	2,666,210	2,666,210
Interest	-	189,010	-	478,421	667,431
Total Expenditures	<u>48,092,875</u>	<u>1,639,799</u>	<u>8,029,620</u>	<u>3,169,762</u>	<u>60,932,056</u>
Revenues Over (Under) Expenditures	3,307,497	(119,040)	(2,750,887)	8,967,821	9,405,391
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	19,342	-	-	-	19,342
Transfers in	3,982,708	719,492	15,447,656	-	20,149,856
Transfers out	(719,492)	(500,000)	(5,357)	(13,690,468)	(14,915,317)
Total Other Financing Sources (Uses)	<u>3,282,558</u>	<u>219,492</u>	<u>15,442,299</u>	<u>(13,690,468)</u>	<u>5,253,881</u>
Net Change in Fund Balances	6,590,055	100,452	12,691,412	(4,722,647)	14,659,272
Fund balances (deficit) at beginning 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>
Fund balances (deficit) at end of year	<u>\$ 46,906,720</u>	<u>\$ (4,619,834)</u>	<u>\$ 28,998,901</u>	<u>\$ 10,387,720</u>	<u>\$ 81,673,507</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, 2019

Net change in fund balance - total governmental funds	\$ 14,659,272
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	6,466,306
Depreciation expense	(4,689,269)
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	3,630,443
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.	
	(69,222)
Payment of accrued interest is an expenditure in the Governmental funds, but is a reduction of accrued liabilities in the statement of net position.	
	21,711
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	2,666,210
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	(264,346)
Other postemployment benefits liability	(128,534)
Pension expense	(2,296,869)
Change in net position of governmental activities	<u>\$ 19,988,542</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, 2019

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 32,236,962	\$ 5,689,396	\$ 8,076,652	\$ 46,003,010
Investments	43,079,521	1,434,775	10,450,605	54,964,901
Accounts receivable, net	1,377,489	210,569	125	1,588,183
Interest receivable	34,737	5,273	-	40,010
Inventory	651,808	-	-	651,808
Prepaid expenses	14,213	-	-	14,213
Restricted assets				
Cash and cash equivalents	3,657,903	-	-	3,657,903
Investments	1,103,966	-	-	1,103,966
Total Current Assets	<u>82,156,599</u>	<u>7,340,013</u>	<u>18,527,382</u>	<u>108,023,994</u>
NONCURRENT ASSETS				
Noncurrent receivables	3,997,026	-	-	3,997,026
Capital assets				
Land and improvements	458,616	110,507	-	569,123
Construction in progress	5,684,190	209,055	-	5,893,245
Water treatment systems	97,288,843	-	-	97,288,843
Buildings and improvements	8,349,533	58,969,164	-	67,318,697
Water distribution systems	145,597,128	-	-	145,597,128
Wells	28,744,432	-	-	28,744,432
Equipment and pumps	11,051,943	628,391	709,830	12,390,164
Meters	19,070,308	-	-	19,070,308
	<u>316,244,993</u>	<u>59,917,117</u>	<u>709,830</u>	<u>376,871,940</u>
Less accumulated depreciation	<u>(138,248,352)</u>	<u>(18,047,070)</u>	<u>(525,169)</u>	<u>(156,820,591)</u>
Total Capital Assets, net	<u>177,996,641</u>	<u>41,870,047</u>	<u>184,661</u>	<u>220,051,349</u>
Total Noncurrent Assets	<u>181,993,667</u>	<u>41,870,047</u>	<u>184,661</u>	<u>224,048,375</u>
Total Assets	<u>264,150,266</u>	<u>49,210,060</u>	<u>18,712,043</u>	<u>332,072,369</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refundings	211,349	-	-	211,349
Deferred amount related to pensions	1,545,846	179,416	669,912	2,395,174
Total Deferred Outflows of Resources	<u>1,757,195</u>	<u>179,416</u>	<u>669,912</u>	<u>2,606,523</u>

(Continued)

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 1,639,534	\$ 43,777	\$ 72,744	\$ 1,756,055
Accrued expenses	193,420	24,336	76,150	293,906
Compensated absences payable	72,982	11,726	25,292	110,000
	<u>1,905,936</u>	<u>79,839</u>	<u>174,186</u>	<u>2,159,961</u>
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS				
Accounts and contracts payable	222,643	-	-	222,643
Total Current Liabilities	<u>2,128,579</u>	<u>79,839</u>	<u>174,186</u>	<u>2,382,604</u>
NONCURRENT LIABILITIES				
Customer deposits	1,577,336	-	-	1,577,336
Other deposits	2,783	23,479	1,269	27,531
Unearned revenue	1,391,369	-	-	1,391,369
Compensated absences payable, net of current portion	575,845	92,523	199,562	867,930
Revenue bonds payable	18,572,500	-	-	18,572,500
Total OPEB liability	235,469	50,720	76,598	362,787
Net pension liability	4,781,574	554,966	2,072,156	7,408,696
Total Noncurrent Liabilities	<u>27,136,876</u>	<u>721,688</u>	<u>2,349,585</u>	<u>30,208,149</u>
Total Liabilities	<u>29,265,455</u>	<u>801,527</u>	<u>2,523,771</u>	<u>32,590,753</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred amount related to OPEB	12,491	2,690	4,063	19,244
Deferred amount related to pensions	369,509	42,887	160,131	572,527
Total Deferred Inflows of Resources	<u>382,000</u>	<u>45,577</u>	<u>164,194</u>	<u>591,771</u>
NET POSITION				
Net investment in capital assets	159,635,490	41,870,047	184,661	201,690,198
Restricted				
Debt retirement	484,750	-	-	484,750
Capital projects	4,054,476	-	-	4,054,476
Unrestricted	72,085,290	6,672,325	16,509,329	95,266,944
Total Net Position	<u>\$ 236,260,006</u>	<u>\$ 48,542,372</u>	<u>\$ 16,693,990</u>	<u>\$ 301,496,368</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, 2019

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
OPERATING REVENUES				
Charges for services	\$ 27,230,802	\$ 3,156,677	\$ -	\$ 30,387,479
Licenses and permits	-	-	5,348,699	5,348,699
Other fees and charges	392,214	21,947	875	415,036
Total Operating Revenues	<u>27,623,016</u>	<u>3,178,624</u>	<u>5,349,574</u>	<u>36,151,214</u>
OPERATING EXPENSES				
Personal services	6,390,761	888,629	2,748,807	10,028,197
General operating expenses	9,122,343	1,110,001	1,280,639	11,512,983
Depreciation	6,526,238	848,265	79,404	7,453,907
Total Operating Expenses	<u>22,039,342</u>	<u>2,846,895</u>	<u>4,108,850</u>	<u>28,995,087</u>
Operating Income	<u>5,583,674</u>	<u>331,729</u>	<u>1,240,724</u>	<u>7,156,127</u>
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental	18,734	21,566	-	40,300
Investment earnings	1,344,129	33,249	264,988	1,642,366
Miscellaneous revenues	3,327	-	-	3,327
Net change in fair value of investments	162,548	19,933	34,704	217,185
Gain on sale of capital assets	1,696	213	2,611	4,520
Interest expense	(513,382)	-	-	(513,382)
Amortization expense	(43,249)	-	-	(43,249)
Total Nonoperating Revenues (Expenses)	<u>973,803</u>	<u>74,961</u>	<u>302,303</u>	<u>1,351,067</u>
Income Before Capital Contributions and Transfers	6,557,477	406,690	1,543,027	8,507,194
CAPITAL CONTRIBUTIONS	1,434,266	1,434,280	-	2,868,546
TRANSFERS	<u>(1,794,519)</u>	<u>5,357</u>	<u>(3,445,377)</u>	<u>(5,234,539)</u>
Change in Net Position	6,197,224	1,846,327	(1,902,350)	6,141,201
Net position at beginning of year	<u>230,062,782</u>	<u>46,696,045</u>	<u>18,596,340</u>	<u>295,355,167</u>
Net position at end of year	<u>\$ 236,260,006</u>	<u>\$ 48,542,372</u>	<u>\$ 16,693,990</u>	<u>\$ 301,496,368</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, 2019

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 27,047,377	\$ 3,305,973	\$ 5,308,918	\$ 35,662,268
Cash paid to suppliers and contractors	(8,509,209)	(1,361,482)	(1,255,588)	(11,126,279)
Cash paid to employees	(5,736,161)	(811,497)	(2,418,746)	(8,966,404)
Cash received from others	395,541	21,947	875	418,363
Net Cash Provided By Operating Activities	13,197,548	1,154,941	1,635,459	15,987,948
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants received	18,734	21,566	-	40,300
Transfers	(1,794,519)	5,357	(3,445,377)	(5,234,539)
Net Cash Provided By (Used In) Noncapital Financing Activities	(1,775,785)	26,923	(3,445,377)	(5,194,239)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	956,785	-	-	956,785
Acquisition and construction of capital assets	(6,595,948)	(1,226,186)	(74,083)	(7,896,217)
Proceeds from disposal of capital assets	15,947	10,889	2,611	29,447
Principal paid on revenue bonds	(2,312,500)	-	-	(2,312,500)
Interest and other debt service charges	(513,382)	-	-	(513,382)
Net Cash Used In Capital and Related Financing Activities	(8,449,098)	(1,215,297)	(71,472)	(9,735,867)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	1,471,024	(10,300)	(219,445)	1,241,279
Interest received	1,356,182	37,430	275,188	1,668,800
Net Cash Provided by Investing Activities	2,827,206	27,130	55,743	2,910,079
Net Increase (Decrease) in Cash and Cash Equivalents	5,799,871	(6,303)	(1,825,647)	3,967,921
Cash and cash equivalents at beginning of year	30,094,994	5,695,699	9,902,299	45,692,992
Cash and cash equivalents at end of year	\$ 35,894,865	\$ 5,689,396	\$ 8,076,652	\$ 49,660,913
Cash and Cash Equivalents Reconciliation				
Unrestricted	\$ 32,236,962	\$ 5,689,396	\$ 8,076,652	\$ 46,003,010
Restricted	3,657,903	-	-	3,657,903
Cash and cash equivalents at end of year	\$ 35,894,865	\$ 5,689,396	\$ 8,076,652	\$ 49,660,913

(Continued)

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
NONCASH FINANCING AND INVESTING ACTIVITIES				
Capital contributions	\$ 413,171	\$ 1,434,280	\$ -	\$ 1,847,451
Change in fair value of investments	\$ 162,548	\$ 19,933	\$ 34,704	\$ 217,185
Amortization of deferred charge on refunding	\$ 43,249	\$ -	\$ -	\$ 43,249
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	\$ 5,583,674	\$ 331,729	\$ 1,240,724	\$ 7,156,127
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	6,526,238	848,265	79,404	7,453,907
Provision for doubtful accounts	(47,574)	(4,354)	-	(51,928)
Miscellaneous revenues	3,327	-	-	3,327
Changes in operating assets and liabilities				
Accounts receivable	(116,775)	153,650	1,518	38,393
Inventory	(74,198)	-	-	(74,198)
Prepaid expenses	8,732	5,187	765	14,684
Deferred outflows related to pensions	244,119	12,478	80,363	336,960
Accounts payable	678,600	(256,668)	24,286	446,218
Accrued expenses	12,689	2,833	10,276	25,798
Compensated absences	16,398	(25,824)	7,361	(2,065)
Deposits	19,003	-	(41,299)	(22,296)
Unearned revenue	(38,079)	-	-	(38,079)
OPEB liability	11,744	2,530	3,820	18,094
Net pension liability	422,994	87,702	245,229	755,925
Deferred inflows related to OPEB	(1,308)	(282)	(426)	(2,016)
Deferred inflows related to pensions	(52,036)	(2,305)	(16,562)	(70,903)
Net Cash Provided By Operating Activities	\$ 13,197,548	\$ 1,154,941	\$ 1,635,459	\$ 15,987,948

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, 2019

	Municipal Police Officers' Retirement Trust Fund
ASSETS	
Investments	
Money market mutual funds	\$ 2,804,533
Certificates of deposit	3,153,912
U.S. Government securities	3,937,057
U.S. Government Agency securities	5,424,898
Corporate obligations	6,787,181
Asset-backed bonds	3,179,898
Equity securities	8,274,867
Equity mutual funds	27,348,449
Real estate investment trust index funds	3,502,886
Commingled real estate funds	5,011,433
International equity mutual funds	11,051,414
Total Investments	<u>80,476,528</u>
Receivables	
Employee contributions	36,430
State contributions	786,329
Accrued investment income	121,336
Other receivables	10,388
Total Receivables	<u>954,483</u>
	Total Assets
	81,431,011
LIABILITIES	
Accounts payable and accrued expenses	45,275
Pending trades payable	521,522
	Total Liabilities
	<u>566,797</u>
NET POSITION	
Restricted for pension benefits	<u>\$ 80,864,214</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, 2019

	Municipal Police Officers' Retirement Trust Fund
ADDITIONS	
Contributions	
Town	\$ 2,346,166
State	786,329
Employee	1,043,638
	<u>4,176,133</u>
Investment earnings	
Net appreciation in fair value of investments	2,865,795
Interest and dividends	2,005,283
	<u>4,871,078</u>
Less investment expenses	(241,569)
Net investment earnings	<u>4,629,509</u>
Other income	<u>327</u>
	<u>8,805,969</u>
Total Additions	8,805,969
DEDUCTIONS	
Pension benefits	3,003,084
DROP distributions	156,273
Administrative expenses	139,405
	<u>3,298,762</u>
Total Deductions	<u>3,298,762</u>
Change in Net Position	5,507,207
NET POSITION RESTRICTED FOR PENSION BENEFITS	
Beginning of year	<u>75,357,007</u>
End of Year	<u><u>\$ 80,864,214</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, 2019

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, 2019

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, deferred outflows of resources, 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, 2019

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 of the Town’s stormwater collection, treatment and disposal system.

The *Building Fund* accounts for the plan review, permitting and inspection operations of 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, 2019

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, 2019.

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 1.9026 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 8.0974.

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, 2019, the Town maintained a flat 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 \$29,722,342 for 2019, representing a 5.2% increase over the property tax levy for 2018. 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, 2019

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, 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, 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, 2019

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. Interest cost was capitalized on enterprise fund capital assets during the construction period prior to the adoption of GASB Statement No. 89 in 2018. 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-

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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) liabilities. 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:

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

On-behalf Payments: In accordance with U.S. generally accepted accounting principles, on-behalf payments of \$786,329 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, 2019, 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, 2019:

- 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.
- GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, requires the disclosure of information in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

The implementation of these GASB Statements had no impact on the Town's financial statements for the year ended September 30, 2019.

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. 84, *Fiduciary Activities*, establishes guidance regarding what constitutes fiduciary activities for accounting and financial reporting purposes, the recognition of liabilities to beneficiaries, and how fiduciary activities should be reported. 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, 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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. 90, *Majority Equity Interests, an amendment of GASB Statement No. 14 and No. 61*, establishes guidance regarding the reporting of a government's majority equity interest in a legally separate organization and the disclosure of financial statement information for certain component units. The requirements of this Statement will be effective for the Town for the fiscal year ending September 30, 2020.
- GASB Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement will be effective for the Town for the fiscal year ending September 30, 2022.
- GASB Statement No. 92, *Omnibus 2020*, addresses certain practice issues identified during implementation and application of certain GASB Statements, including 1) the effective date of GASB Statement No. 87 and Implementation Guide 2019-3 related to Leases for interim reports; 2) reporting of intra-entity transfers between a primary government employer and component unit defined benefit pension plan; 3) the applicability of GASB Statement No. 73 to reporting assets accumulated for OPEB; 4) applicability of GASB Statement No. 84 to postemployment benefit arrangements; 5) measurement of assets and liabilities related to asset retirement obligations; 6) reporting for amounts recoverable by public entity risk pools from reinsurers or excess insurers; and 7) certain terminology references. The requirements of this Statement related to items 1) and 7) are effective for the fiscal year ending September 30, 2020 and the remaining requirements will be effective for the Town for the fiscal year ending September 30, 2021.

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, 2019, the Town's cash and cash equivalents included petty cash of \$9,989, deposits in demand deposit accounts of \$83,676,253 and a depository cash account with a securities broker of \$20,259,834. The demand deposit accounts of \$83,676,253 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

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

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

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 \$20,259,834 and the MPORT's money market mutual fund of \$2,804,533, 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 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, 2019 are summarized as follows:

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

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

	Primary Government	Fiduciary Fund Pension Trust	Total
Florida Prime	\$ 61,467,512	\$ -	\$ 61,467,512
Certificates of deposit (\$1,800,270 pledged - Note N)	2,629,593	3,153,912	5,783,505
Money market mutual funds	-	2,804,533	2,804,533
Florida intergovernmental investment pool	10,825,621	-	10,825,621
U.S. Government securities	-	3,937,057	3,937,057
U.S. Government Agency securities	9,629,430	5,424,898	15,054,328
Tax-exempt state and local debt securities	7,683,520	-	7,683,520
Corporate obligations	-	6,787,181	6,787,181
Asset-backed bonds	8,710	3,179,898	3,188,608
Equity securities	-	8,274,867	8,274,867
Equity mutual funds	-	27,348,449	27,348,449
REIT index funds	-	3,502,886	3,502,886
Commingled real estate funds	-	5,011,433	5,011,433
International equity mutual funds	-	11,051,414	11,051,414
	<u>\$ 92,244,386</u>	<u>\$ 80,476,528</u>	<u>\$ 172,720,914</u>
Total investments	<u>\$ 92,244,386</u>	<u>\$ 80,476,528</u>	<u>\$ 172,720,914</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	\$ 100,288,173	\$ -	\$ 100,288,173
Restricted cash and cash equivalents	<u>3,657,903</u>	<u>-</u>	<u>3,657,903</u>
Total cash and cash equivalents	103,946,076	-	103,946,076
Investments	88,838,977	80,476,528	169,315,505
Restricted investments	<u>3,405,409</u>	<u>-</u>	<u>3,405,409</u>
Total investments	<u>92,244,386</u>	<u>80,476,528</u>	<u>172,720,914</u>
Total cash, cash equivalents and investments	<u>\$ 196,190,462</u>	<u>\$ 80,476,528</u>	<u>\$ 276,666,990</u>

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

TOWN OF JUPITER, FLORIDA
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September 30, 2019

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

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.

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

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

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

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, and asset-backed bonds: 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, 2019 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, 2019. 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, 2019.

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, 2019. The fair value of the Town's investments at September 30, 2019 is summarized as follows:

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

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

	Level 1	Level 2	Level 3	Total
Debt investments				
U.S. Government securities	\$ 3,937,057	\$ -	\$ -	\$ 3,937,057
U.S. Government Agencies	-	15,054,328	-	15,054,328
Negotiable certificates of deposit	3,153,912	-	-	3,153,912
Tax-exempt state and local debt	-	7,683,520	-	7,683,520
Corporate obligations	-	6,787,181	-	6,787,181
Asset-backed bonds	-	<u>3,188,608</u>	-	<u>3,188,608</u>
Total debt securities	<u>7,090,969</u>	<u>32,713,637</u>	-	<u>39,804,606</u>
Equity investments				
Equity securities	8,274,867	-	-	8,274,867
Equity mutual funds	27,348,449	-	-	27,348,449
REIT index funds	3,502,886	-	-	3,502,886
International equity mutual funds	<u>11,051,414</u>	-	-	<u>11,051,414</u>
Total equity securities	<u>50,177,616</u>	-	-	<u>50,177,616</u>
Total investments by level	<u>\$ 57,268,585</u>	<u>\$ 32,713,637</u>	<u>\$ -</u>	89,982,222
Investments measured at NAV				5,011,433
Commingled real estate funds				5,011,433
Investments measured at amortized cost				
Florida Prime				61,467,512
Florida intergovernmental investment pool (FLCLASS)				10,825,621
Certificates of deposit				2,629,593
Money market mutual funds				<u>2,804,533</u>
Total fair value				<u>\$ 172,720,914</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, 2019, 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.

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 \$11,051,414 invested in U.S. dollar denominated international equity mutual funds at September 30, 2019.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

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

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, 2019, 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, 2019.

	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	\$ -	\$ -	\$ 1,670,126	\$ 2,266,931
U.S. Government Agency securities	-	9,704,397	1,266,449	4,083,482
Negotiable certificates of deposit	-	688,682	2,465,230	-
Tax-exempt state and local debt	2,535,474	5,148,046	-	-
Corporate obligations	-	1,885,625	2,677,688	2,223,868
Asset-backed bonds	-	1,146,377	787,636	1,254,595
Asset-backed bonds	-	-	-	-
	\$ 2,535,474	\$ 18,573,127	\$ 8,867,129	\$ 9,828,876

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, 2019, are summarized as follows:

	NRSRO Rating	Fair Value
U.S. Government securities	AA	\$ 3,937,057
U.S. Government Agency securities	AA	15,054,328
Negotiable certificates of deposit	AA	3,153,912
Tax-exempt state and local debt	AA	7,683,520
Corporate obligations	AAA - CCC	6,787,181
Asset-backed bonds	AAA - BB	3,188,608

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

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.

During the first quarter of 2020, the U.S. equity markets experienced a significant decline of more than 20%. Management considers the market fluctuations to be temporary in nature, although the duration and amount of the decline in fair value of certain investments cannot be determined at this time.

NOTE C - ACCOUNTS RECEIVABLE

Accounts receivable and allowance for doubtful accounts at September 30, 2019 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	\$ 1,209,171	\$ (3,956)	\$ 1,205,215
General Fund - Intergovernmental	690,603	-	690,603
Community Redevelopment Fund	<u>525</u>	<u>-</u>	<u>525</u>
Total Governmental Activities / Funds	1,900,299	(3,956)	1,896,343
Business-type Activities / Enterprise Funds			
Water System Fund - Utility accounts	1,396,076	(18,587)	1,377,489
Stormwater Fund - Utility accounts	211,797	(1,228)	210,569
Building Fund	<u>125</u>	<u>-</u>	<u>125</u>
Total Business-type Activities / Enterprise Funds	<u>1,607,998</u>	<u>(19,815)</u>	<u>1,588,183</u>
	<u>\$ 3,508,297</u>	<u>\$ (23,771)</u>	<u>\$ 3,484,526</u>

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE C - ACCOUNTS RECEIVABLE (Continued)

Noncurrent receivables in the Proprietary Funds of \$3,997,026 have no allowance for doubtful accounts at September 30, 2019.

NOTE D - NOTES RECEIVABLE

The Town had the following notes receivable at September 30, 2019:

General Fund - Economic Development Loan	\$ 111,173
Community Redevelopment Fund - Land sale	<u>83,687</u>
Total notes receivable	<u>\$ 194,860</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, 2019, 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 \$83,687 at September 30, 2019.

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 \$750,000 in 2019 to \$1.1 million in 2027, and generally increases each year commensurate with the expected increases in the CRA's tax increment revenues resulting from the redevelopment activities. The outstanding advances totaled \$4,908,899 at September 30, 2019 and are considered to be noncurrent because the repayments are not expected to be available under the modified accrual basis of accounting.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE F - CAPITAL ASSETS

The Town's capital asset activity for the year ended September 30, 2019 is summarized as follows:

Governmental Activities	Balance at Beginning of Year	Increases	Decreases	Balance at End of Year
Capital assets not being depreciated				
Land	\$ 45,053,753	\$ -	\$ -	\$ 45,053,753
Construction in progress	<u>-</u>	<u>3,269,841</u>	<u>-</u>	<u>3,269,841</u>
Total capital assets not being depreciated	45,053,753	3,269,841	-	48,323,594
Depreciable capital assets				
Buildings	22,460,892	-	-	22,460,892
Improvements	51,686,703	697,866	-	52,384,569
Machinery and equipment	11,290,656	814,314	(436,244)	11,668,726
Infrastructure	<u>46,202,291</u>	<u>5,314,728</u>	<u>-</u>	<u>51,517,019</u>
Total depreciable capital assets	131,640,542	6,826,908	(436,244)	138,031,206
Less accumulated depreciation				
Buildings	(15,762,153)	(556,620)	-	(16,318,773)
Improvements	(22,994,519)	(1,601,992)	-	(24,596,511)
Machinery and equipment	(8,049,401)	(831,435)	367,022	(8,513,814)
Infrastructure	<u>(20,434,204)</u>	<u>(1,699,222)</u>	<u>-</u>	<u>(22,133,426)</u>
Total accumulated depreciation	(67,240,277)	(4,689,269)	367,022	(71,562,524)
Depreciable capital assets, net of accumulated depreciation	<u>64,400,265</u>	<u>2,137,639</u>	<u>(69,222)</u>	<u>66,468,682</u>
Total capital assets, net	<u>\$ 109,454,018</u>	<u>\$ 5,407,480</u>	<u>\$ (69,222)</u>	<u>\$ 114,792,276</u>

Depreciation expense charged to governmental activities for the year ended September 30, 2019 was as follows:

General government	\$ 2,529,374
Public safety	164,403
Engineering and public works	1,013,679
Culture and recreation	<u>981,813</u>
Total Governmental Activities Depreciation Expense	<u>\$ 4,689,269</u>

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE F - CAPITAL ASSETS (Continued)

Business-Type Activities	Balance at Beginning of Year	Increases	Decreases	Balance at End of Year
Capital assets not being depreciated				
Land	\$ 569,123	\$ -	\$ -	\$ 569,123
Construction in progress	<u>3,115,858</u>	<u>4,132,129</u>	<u>(1,354,742)</u>	<u>5,893,245</u>
Total capital assets not being depreciated	3,684,981	4,132,129	(1,354,742)	6,462,368
Depreciable capital assets				
Buildings and plant	103,802,541	336,398	-	104,138,939
Improvements	229,378,542	5,458,688	(27,069)	234,810,161
Machinery and equipment	<u>30,336,313</u>	<u>1,316,652</u>	<u>(192,493)</u>	<u>31,460,472</u>
Total depreciable capital assets	363,517,396	7,111,738	(219,562)	370,409,572
Less accumulated depreciation				
Buildings and plant	(36,199,544)	(3,028,071)	-	(39,227,614)
Improvements	(92,450,135)	(3,040,881)	14,898	(95,476,119)
Machinery and equipment	<u>(20,911,640)</u>	<u>(1,384,955)</u>	<u>179,737</u>	<u>(22,116,858)</u>
Total accumulated depreciation	<u>(149,561,319)</u>	<u>(7,453,907)</u>	<u>194,635</u>	<u>(156,820,591)</u>
Depreciable capital assets, net of accumulated depreciation	<u>213,956,077</u>	<u>(342,169)</u>	<u>(24,927)</u>	<u>213,588,981</u>
Total capital assets, net	<u>\$ 217,641,058</u>	<u>\$ 3,789,960</u>	<u>\$ (1,379,669)</u>	<u>\$ 220,051,349</u>

NOTE G - NONCURRENT LIABILITIES

Governmental Activities

Changes in governmental activities noncurrent liabilities for the year ended September 30, 2019 are summarized as follows:

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE G - NONCURRENT LIABILITIES (Continued)

	Balance at Beginning of Year	Additions	Retirements	Balance at End of Year	Amounts Due Within One Year
General Obligation Bonds					
Series 2001	\$ 2,465,000	\$ -	\$ 780,000	\$ 1,685,000	\$ 820,000
Series 2005	7,350,000	-	930,000	6,420,000	965,000
Sales Tax Revenue Refunding Notes					
Series 2008	370,000	-	180,000	190,000	190,000
Series 2013	1,566,141	-	776,210	789,931	789,931
Tax increment incentive	704,510	-	-	704,510	-
Compensated absences	<u>3,487,047</u>	<u>338,031</u>	<u>73,685</u>	<u>3,751,393</u>	<u>242,000</u>
Total long-term debt	15,942,698	<u>\$ 338,031</u>	<u>\$ 2,739,895</u>	13,540,834	<u>\$ 3,006,931</u>
Current maturities	(2,866,210)			(3,006,931)	
Unamortized bond discount	<u>(48,323)</u>			<u>(41,163)</u>	
Net long-term debt	<u>\$ 13,028,165</u>			<u>\$ 10,492,740</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 liabilities 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 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
2020	\$ 820,000	\$ 92,675	\$ 912,675
2021	<u>865,000</u>	<u>47,575</u>	<u>912,575</u>
	<u>\$ 1,685,000</u>	<u>\$ 140,250</u>	<u>\$ 1,825,250</u>

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE G - NONCURRENT LIABILITIES (Continued)

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
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	1,135,000	98,328	1,233,328
2025	<u>1,180,000</u>	<u>50,150</u>	<u>1,230,150</u>
	<u>\$ 6,420,000</u>	<u>\$ 966,278</u>	<u>\$ 7,386,278</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 on 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%. The Series 2008 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 are payable March 1 and September 1 with a final maturity on September 1, 2020. Upon occurrence of an event of default, the bank may declare the entire debt then remaining unpaid immediately due and payable and obligate the Town to cover all costs of collection and enforcement. Additionally, any payments made after 15 days past the due date obligate the Town to a 4% late payment fee and any acceleration of the note obligates the Town to a prepayment fee as determined by the bank.

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

Year Ending September 30	Principal	Interest	Total
2020	\$ 190,000	\$ 6,878	\$ 196,878

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE G - NONCURRENT LIABILITIES (Continued)

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 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%. Upon occurrence of an event of default, the bank may declare the entire debt then remaining unpaid immediately due and payable and obligate the Town to cover all costs of collection and enforcement. During the period of default, the note shall bear interest at a rate of the lesser of 18% or the maximum rate permitted by law. Additionally, any acceleration of the note obligates the Town to a prepayment fee as determined by the bank.

The debt service requirements of the Series 2013 Note are as follows:

Year Ending September 30	Principal	Interest	Total
2020	\$ <u>789,931</u>	\$ <u>10,442</u>	\$ <u>800,373</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 approximately 20 percent of the Town's sales tax revenues. Total principal and interest remaining to be paid on the Sales Tax Revenue Refunding Notes is \$997,251 at September 30, 2019. Principal and interest paid and sales tax revenues received for 2019 were \$996,539 and \$4,979,248, 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. As of September 30, 2019, the Town has accrued tax rebates totaling approximately \$705,000. The date of payment is uncertain due to current litigation between the Town and the developer. Furthermore, the Town believes that the developer is in default on the agreement and may not be entitled to the full amount of the rebates (see Note N - Commitments and Contingencies).

Business-type Activities

Changes in business-type activities noncurrent liabilities for the year ended September 30, 2019 are summarized as follows:

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE G - NONCURRENT LIABILITIES (Continued)

	Balance at Beginning of Year	Additions	Retirements	Balance at End of Year	Amounts Due Within One Year
Water Revenue Bonds/Note					
Series 2010	\$ 3,205,000	\$ -	\$ 580,000	\$ 2,625,000	\$ -
Series 2013	17,680,000	-	1,732,500	15,947,500	-
Compensated absences	<u>979,995</u>	<u>44,291</u>	<u>46,356</u>	<u>977,930</u>	<u>110,000</u>
Total long-term debt	21,864,995	<u>\$ 44,291</u>	<u>\$ 2,358,856</u>	19,550,430	<u>\$ 110,000</u>
Current maturities	<u>(99,000)</u>			<u>(110,000)</u>	
Net long-term debt				<u>\$ 19,440,430</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 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. Upon occurrence of an event of default, the bank may declare the entire debt then remaining unpaid immediately due and payable and obligate the Town to cover all costs of collection and enforcement. During the period of default, the note shall bear interest at a rate of 4% per annum in excess of the interest rate charged prior to the event of default. Additionally, any payments made after 15 days past the due date obligate the Town to a 6% late payment fee and any acceleration of the note obligates the Town to a prepayment fee as determined by the bank. The debt service requirements of the Series 2010 Note are as follows:

Year Ending September 30	Principal	Interest	Total
2020 (*)	\$ -	\$ 92,019	\$ 92,019
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>\$ 2,625,000</u>	<u>\$ 262,367</u>	<u>\$ 2,887,367</u>

(*) Payment made in September 2019 for principal and interest due on October 1, 2019.

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

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE G - NONCURRENT LIABILITIES (Continued)

economic gain 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. Upon occurrence of an event of default, the bank may declare the entire debt then remaining unpaid immediately due and payable and obligate the Town to cover all costs of collection and enforcement. During the period of default, the note shall bear interest at a rate of the lesser of 18% or the maximum rate permitted by law. Additionally, any acceleration of the note obligates the Town to a prepayment fee as determined by the bank.

The debt service requirements of the Series 2013 Bonds are as follows:

Year Ending September 30	Principal	Interest	Total
2020 (*)	\$ -	\$ 392,731	\$ 392,731
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	1,600,000	260,158	1,860,158
2025 - 2029	8,180,000	636,497	8,816,497
2030	1,358,000	15,860	1,373,860
	<u>\$ 15,947,500</u>	<u>\$ 2,255,782</u>	<u>\$ 18,203,282</u>

(*) Payment made in September 2019 for principal and interest due on October 1, 2019.

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 \$21,090,649 at September 30, 2019. Principal and interest paid on the water revenue bonds and net revenues of the System for 2019 were \$2,825,882 and \$13,476,102, respectively.

Defeased Bonds: At September 30, 2019, \$850,000 Sales Tax Revenue Bonds - Series 1992; \$2,635,000 Water Revenue Refunding Bonds - Series 1994; \$190,000 Sales Tax Revenue Bonds - Series 1997; \$2,625,000 Water Revenue Refunding Bonds - Series 1998; \$860,000 Sales Tax Revenue Refunding Bonds - Series 2002; and \$16,810,000 Water Revenue Bonds - Series 2003 were outstanding and considered defeased.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE G - NONCURRENT LIABILITIES (Continued)

Annual Maturities: The aggregate maturities for all long-term debt of the Town at September 30, 2019 are as follows:

Year Ending September 30	Principal	Interest	Total
2020	\$ 2,764,931	\$ 858,695	\$ 3,623,626
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	3,440,000	369,614	3,809,614
2025 - 2029	9,360,000	686,647	10,046,647
2030	1,358,000	15,860	1,373,860
	<u>\$ 27,657,431</u>	<u>\$ 3,641,997</u>	<u>\$ 31,299,428</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, 2019 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	\$ -	\$ 520,723	\$ -
Economic development	<u>1,800,720</u>	<u>-</u>	<u>-</u>	<u>1,800,720</u>
Total Governmental Funds	<u>\$ 2,301,443</u>	<u>\$ -</u>	<u>\$ 500,723</u>	<u>\$ 1,800,720</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, 2019 are summarized as follows:

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

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>
Restricted for:				
Debt Service Reserve Account	\$ 484,750	\$ -	\$ -	\$ 484,750
Construction Account	<u>4,277,119</u>	<u>222,643</u>	<u>-</u>	<u>4,054,476</u>
Total Enterprise Funds	<u>\$ 4,761,869</u>	<u>\$ 222,643</u>	<u>\$ -</u>	<u>\$ 4,539,226</u>

NOTE I - INTERFUND TRANSACTIONS

Interfund receivables and payables at September 30, 2019 are summarized as follows:

Receivable Fund	Payable Fund	<u>Amount</u>
General Fund	Community Redevelopment Fund	\$ 4,908,899
Capital Improvements Fund	Community Redevelopment Fund	<u>1,330,183</u>
		<u>\$ 6,239,082</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, 2019, is summarized as follows:

Transfer To	Transfer From	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 3,982,708
Community Redevelopment Fund	General Fund	719,492
Capital Improvements Fund	Nonmajor Governmental Funds	9,467,420
Capital Improvements Fund	Nonmajor Governmental Funds	240,340
Capital Improvements Fund	Community Redevelopment Fund	500,000
Capital Improvements Fund	Water System Fund	1,794,519
Capital Improvements Fund	Building Fund	3,445,377
Stormwater Fund	Capital Improvements Fund	<u>5,357</u>
		<u>\$ 20,155,213</u>

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE I - INTERFUND TRANSACTIONS (Continued)

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.

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 and pension expense related to these retirement plans are summarized as follows at September 30, 2019:

	<u>MPORT</u>	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Net pension liability	<u>\$ 9,690,289</u>	<u>\$ 15,399,450</u>	<u>\$ 5,701,937</u>	<u>\$ 30,791,676</u>
Deferred outflows/inflows				
Deferred outflows of resources	<u>\$ 2,243,821</u>	<u>\$ 5,624,179</u>	<u>\$ 1,197,735</u>	<u>\$ 9,065,735</u>
Deferred inflows of resources	<u>\$ 913,577</u>	<u>\$ 991,513</u>	<u>\$ 639,154</u>	<u>\$ 2,544,244</u>
Pension Expense	<u>\$ 3,678,990</u>	<u>\$ 3,972,924</u>	<u>\$ 490,436</u>	<u>\$ 8,142,350</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, 2019, the date of the latest actuarial valuation:

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

Active participants	94
Retirees and beneficiaries receiving benefits	57
DROP participants	22
Terminated vested employees not receiving benefits	<u>2</u>
Total	<u><u>175</u></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 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

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE J – EMPLOYEE RETIREMENT PLANS (Continued)

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.

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 \$6,765,455 at September 30, 2019.

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

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

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 allocations over short time spans. There were no changes in the investment policy of MPORT for the year ended September 30, 2019.

The asset allocation policy adopted by the MPORT Board at September 30, 2019 was as follows:

Asset Class	
Domestic equity	32%
Fixed Income	24
International equity	15
Convertible securities	8
Private real estate	5
Infrastructure	5
Treasury inflation-protected securities (TIPS)	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, 2019, the annual money-weighted rate of return on MPORT's investments, net of investment expenses, was 6.3%. 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, 2019, were as follows:

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

Total pension liability	\$ 90,554,503
Plan fiduciary net position	<u>(80,864,214)</u>
Net pension liability	<u>\$ 9,690,289</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>89.3%</u>

Actuarial Assumptions: The net pension liability of the MPORT was determined by an actuarial valuation as of October 1, 2019, using the following significant actuarial assumptions:

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)	7.3%
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, 2019 actuarial valuation of the Plan were changed from the prior actuarial valuation by decreasing the investment rate of return (discount rate), from 7.4% to 7.3%.

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 7.3% 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, 2019 (see the discussion of the pension plan's investment policy) are summarized in the following table:

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

Asset Class	
Domestic equity	7.31%
International equity	2.71
Fixed Income	3.61
Treasury inflation-protected securities (TIPS)	2.89
Convertible securities	6.29
Private real estate	4.91
Infrastructure	8.07
Real estate investment trusts (REITs)	7.23
Cash	0.57

Discount Rate: The discount rate used to measure the total pension liability was 7.3% 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 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, 2019:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at October 1, 2018	\$ 83,052,751	\$ 75,357,007	\$ 7,695,744
Changes for the Current Year			
Service cost	2,406,524	-	2,406,524
Interest	6,173,634	-	6,173,634
Benefit change	175,084	-	175,084
Difference between actual and expected experience	1,019,990	-	1,019,990
Assumption changes	885,877	-	885,877
Contributions - Town	-	2,346,166	(2,346,166)
Contributions - State of Florida	-	786,329	(786,329)
Contributions - employee	-	1,043,638	(1,043,638)
Net investment income	-	4,629,836	(4,629,836)
Benefit payments, including refunds of employee contributions	(3,159,357)	(3,159,357)	-
Administrative expenses	-	(139,405)	139,405
Net Changes	<u>7,501,752</u>	<u>5,507,207</u>	<u>1,994,545</u>
Balances at September 30, 2019	<u>\$ 90,554,503</u>	<u>\$ 80,864,214</u>	<u>\$ 9,690,289</u>

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

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 7.3%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.3%) or one percentage point higher (8.3%) than the current rate:

1.0% Decrease (6.3%)	Current Discount Rate (7.3%)	1.0% Increase (8.3%)
\$ 19,546,246	\$ 9,690,289	\$ 1,521,333

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

For the year ended September 30, 2019, the Town recognized pension expense of \$3,678,990 for MPORT. At September 30, 2019, 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	\$ 850,689	\$ 913,577
Changes in assumptions	1,152,237	-
Net difference between projected and actual investment earnings on pension plan investments	240,895	-
Total	\$ 2,243,821	\$ 913,577

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

Year Ending September 30,	Amount
2020	\$ 62,508
2021	297,706
2022	689,284
2023	280,746

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

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

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.

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% of their annual covered payroll 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 8.47% of annual covered payroll for employees covered in the regular class, 25.41% for senior management class, 25.48% for special risk class, 48.82% for elected officials and 14.60% 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, 2019 were \$1,691,005, 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.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE J – EMPLOYEE RETIREMENT PLANS (Continued)

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 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, 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, 2019.

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

At September 30, 2019, the Town reported a liability of \$15,399,450 and \$5,701,937 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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 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, 2019, the Town's FRS proportion was 0.044715658 percent, which was a decrease of 0.000756396 percent from its proportion measured as of June 30, 2018 and the HIS proportion was 0.050960206 percent, which was a decrease of 0.000567552 percent from its proportion measured as of June 30, 2018.

For the year ended September 30, 2019, the Town recognized pension expense of \$4,463,360 for FRS and HIS. At September 30, 2019, 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, 2019

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 913,386	\$ 9,556
Changes in assumptions	3,955,241	-
Net difference between projected and actual investment earnings on pension plan investments	-	851,978
Changes in proportion and differences between Town contributions and proportionate share of contributions	420,589	129,979
Town contributions subsequent to the measurement date	<u>334,963</u>	<u>-</u>
Total	<u>\$ 5,624,179</u>	<u>\$ 991,513</u>

At September 30, 2019, 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	\$ 69,257	\$ 6,982
Changes in assumptions	660,230	466,030
Net difference between projected and actual investment earnings on pension plan investments	3,679	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	398,720	166,142
Town contributions subsequent to the measurement date	<u>65,849</u>	<u>-</u>
Total	<u>\$ 1,197,735</u>	<u>\$ 639,154</u>

Deferred outflows of resources related to FRS and HIS pensions of \$400,812 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>
2020	\$ 1,501,645	\$ 149,631
2021	486,824	127,494
2022	1,107,624	87,334
2023	847,448	3,493
2024	254,497	45,170
Thereafter	99,665	79,610

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

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, 2019	July 1, 2018
Measurement date	June 30, 2019	June 30, 2019
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	15 years
Asset valuation method	5 year smoothed	Market value
Discount rate	6.90%	3.50%
Inflation	2.60%	2.60%
Salary increases, including inflation	3.25%	3.25%
Long-term expected rate of return, net of investment expenses	7.2%	N/A
Municipal bond rate	N/A	3.50%
Cost of living adjustments	3% pre-July 2011, 0% thereafter	N/A
Mortality rates	Mortality rates PUB-2010 with Projection Scale MP-2018	Mortality rates Generational RP-2000 with Projection Scale BB

The discount rate for FRS changed from 7.00% for 2018 to 6.90% for 2019. The discount rate for HIS changed from 3.87% for 2018 to 3.50% for 2019.

The actuarial assumptions used in the July 1, 2019 valuation of FRS were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018. The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2013. The most significant changes in 2019 are (1) a decrease in the investment return assumption for purposes of developing actuarially calculated contribution rates from 7.4% to 7.2%, and (2) a change in the actuarial cost allocation method from ultimate entry age normal to individual entry age normal.

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:

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

Asset Class	Long-Term Expected Real Rate of Return
Cash	3.3%
Fixed income	4.1
Global equity	8.0
Real estate	6.7
Private equity	11.2
Strategic investments	5.9

Discount Rate: The discount rate used to measure the total pension liability of FRS at June 30, 2019 was 6.9% for FRS and 3.50% 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 3.50% 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, 2019, 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 (5.9%)	Current Discount Rate (6.9%)	1.0% Increase (7.9%)	1.0% Decrease (2.5%)	Current Discount Rate (3.5%)	1.0% Increase (4.5%)
\$ 27,070,826	\$ 15,399,450	\$ 6,129,925	\$ 6,581,546	\$ 5,701,937	\$ 5,085,717

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, 2019

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 most recent actuarial valuation:

Active employees	372
Retirees and beneficiaries receiving benefits	17
Inactive employees	0
Total	389

Total OPEB Liability

The Town's total OPEB liability of \$3,263,030 was measured as of September 30, 2019, and was determined by an actuarial valuation as of September 30, 2018.

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 0.5% to an ultimate rate of 4.5%

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

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	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 actuarial 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, 2019:

Total OPEB liability at October 1, 2018	\$ 3,100,285
Changes for the Current Year	
Service cost	174,529
Interest	135,725
Benefit payments	<u>(147,509)</u>
Net Changes	<u>162,745</u>
Total OPEB liability at September 30, 2019	<u><u>\$ 3,263,030</u></u>

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:

1.0% Decrease <u>(3.24%)</u>	Current Discount Rate (4.24%)	1.0% Increase <u>(5.24%)</u>
<u>\$ 3,636,000</u>	<u>\$ 3,263,000</u>	<u>\$ 2,942,000</u>

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE K - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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% decreasing to 4.5%, 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% decreasing to 3.5%) or one percentage point higher (8.0% decreasing to 5.5%) than the current rate:

1.0% Decrease (6.0% decreasing to 3.5%)	Current Trend Rate (7.0% decreasing to 4.5%)	1.0% Decrease (6.0% decreasing to 3.5%)
\$ 2,707,000	\$ 3,263,000	\$ 3,962,000

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

For the year ended September 30, 2019, the Town recognized OPEB expense of \$128,534. At September 30, 2019, the Town reported deferred inflows/outflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Changes in assumptions and other inputs	\$ -	\$ 173,090

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

Year Ending September 30,	Amount
2020	\$ (18,132)
2021	(18,132)
2022	(18,132)
2023	(18,132)
2024	(18,132)
Thereafter	(82,430)

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.

TOWN OF JUPITER, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE L - RISK MANAGEMENT (Continued)

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 partially self-insured up to a stop loss of \$150,000 per claim and has purchased excess insurance for claims exceeding the stop loss for individual and aggregate claims from Blue Cross and Blue Shield of Florida.

The Town has recorded a claims liability of \$165,466 (all current) at September 30, 2019. 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 2019 and 2018:

<u>Fiscal Year Ended</u> <u>September 30,</u>	<u>Beginning of</u> <u>Fiscal Year</u>	<u>Claims</u> <u>Expense</u>	<u>Claims</u> <u>Paid</u>	<u>End of</u> <u>Fiscal Year</u>
2018	\$ 211,810	\$ 4,227,468	\$ (4,345,527)	\$ 93,751
2019	93,751	2,714,449	(2,642,734)	165,466

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, 2019 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.

NOTE M - FUND DEFICIT

The Community Redevelopment Fund had a deficit fund balance of \$4,619,834 at September 30, 2019. 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.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE N - COMMITMENTS AND CONTINGENCIES

Contract Commitments: The Town has uncompleted construction contracts for the Town’s municipal complex, improvements to the water system, and infrastructure and other improvements. The water system construction is funded primarily from capital contributions. General revenues and impact fees fund the municipal complex, infrastructure and other improvements. At September 30, 2019, the remaining commitments on all uncompleted contracts were \$16,639,022. The outstanding contract commitments at September 30, 2019, are summarized as follows:

	<u>Contract Amount</u>	<u>Payments</u>	<u>Retainage Payable</u>	<u>Remaining Contract Commitment</u>
Community Redevelopment Fund	\$ 407,747	\$ 188,191	\$ 20,910	\$ 198,646
Capital Improvements Fund	17,323,615	2,079,071	69,696	15,174,848
Water System Fund	<u>4,476,760</u>	<u>2,988,589</u>	<u>222,643</u>	<u>1,265,528</u>
	<u>\$ 22,208,122</u>	<u>\$ 5,255,851</u>	<u>\$ 313,249</u>	<u>\$ 16,639,022</u>

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 total liability of \$704,510, which includes the annual rebate for the three years through September 30, 2018, was accrued in the Community Redevelopment Fund. No additional amounts were accrued in 2019 due to defaults of the agreement and the amount previously accrued remains unpaid due to current litigation between the Town and the developer.

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, 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 \$1,998,000 for the year ended September 30, 2019.

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, 2019, the Town had pledged certificates of deposit totaling approximately \$1,800,000 to a financial institution as collateral for

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE N - COMMITMENTS AND CONTINGENCIES (Continued)

outstanding loan guarantees of approximately \$1,610,000 under the economic development program. The outstanding loan guarantees expire through 2025, 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.

NOTE O - EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2019, expenditures exceeded budgeted appropriations in the General Fund's police department by \$49,195.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF JUPITER, FLORIDA
 BUDGETARY COMPARISON SCHEDULE -
 GENERAL FUND - GAAP BASIS

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Taxes	\$ 30,998,195	\$ 30,998,195	\$ 30,979,279	\$ (18,916)
Franchise fees	4,700,000	4,700,000	4,796,053	96,053
Licenses and permits	508,500	508,500	586,778	78,278
Intergovernmental revenue	2,717,745	2,717,745	3,180,692	462,947
Charges for services	6,826,756	7,099,177	7,105,313	6,136
Cost allocation	1,767,987	1,767,987	1,767,987	-
Fines and forfeitures	164,000	164,000	217,147	53,147
Investment earnings	650,767	650,767	2,357,108	1,706,341
Donations	12,000	12,000	19,315	7,315
Miscellaneous	<u>132,000</u>	<u>225,530</u>	<u>390,700</u>	<u>165,170</u>
Total Revenues	48,477,950	48,843,901	51,400,372	2,556,471
Other Financing Sources				
Sale of capital assets	-	-	19,342	19,342
Appropriated fund balance	228,823	532,055	-	(532,055)
Transfers	<u>4,100,000</u>	<u>4,100,000</u>	<u>3,982,708</u>	<u>(117,292)</u>
Total Other Financing Sources	<u>4,328,823</u>	<u>4,632,055</u>	<u>4,002,050</u>	<u>(630,005)</u>
Total Revenues and Other Financing Sources	<u><u>\$ 52,806,773</u></u>	<u><u>\$ 53,475,956</u></u>	<u><u>\$ 55,402,422</u></u>	<u><u>\$ 1,926,466</u></u>

(Continued)

TOWN OF JUPITER, FLORIDA
 BUDGETARY COMPARISON SCHEDULE -
 GENERAL FUND - GAAP BASIS (Continued)

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT				
Personal services	\$ 66,179	\$ 66,179	\$ 65,142	\$ 1,037
Operating expenditures	169,344	169,344	165,294	4,050
Donations	25,000	25,000	23,500	1,500
	<u>260,523</u>	<u>260,523</u>	<u>253,936</u>	<u>6,587</u>
Town Manager				
Personal services	732,173	732,173	461,384	270,789
Operating expenditures	33,846	33,846	14,898	18,948
	<u>766,019</u>	<u>766,019</u>	<u>476,282</u>	<u>289,737</u>
Town Clerk				
Personal services	521,948	521,948	546,894	(24,946)
Operating expenditures	182,006	183,008	128,201	54,807
	<u>703,954</u>	<u>704,956</u>	<u>675,095</u>	<u>29,861</u>
Neighborhood				
Personal services	298,477	298,477	258,109	40,368
Operating expenditures	151,080	151,080	78,843	72,237
	<u>449,557</u>	<u>449,557</u>	<u>336,952</u>	<u>112,605</u>
External Affairs				
Personal services	669,095	669,095	654,842	14,253
Operating expenditures	205,642	205,642	149,357	56,285
	<u>874,737</u>	<u>874,737</u>	<u>804,199</u>	<u>70,538</u>
Finance				
Personal services	900,301	900,301	915,611	(15,310)
Operating expenditures	49,922	49,922	28,830	21,092
	<u>950,223</u>	<u>950,223</u>	<u>944,441</u>	<u>5,782</u>
Business Development				
Personal services	356,335	356,335	110,253	246,082
Operating expenditures	16,167	30,735	10,287	20,448
	<u>372,502</u>	<u>387,070</u>	<u>120,540</u>	<u>266,530</u>
Town Attorney				
Operating expenditures	350,320	350,320	309,273	41,047

(Continued)

TOWN OF JUPITER, FLORIDA

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

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Information Systems				
Personal services	\$ 1,305,485	\$ 1,305,485	\$ 1,186,596	\$ 118,889
Operating expenditures	1,444,768	1,479,569	1,360,220	119,349
Capital outlay	34,800	-	-	-
	<u>2,785,053</u>	<u>2,785,054</u>	<u>2,546,816</u>	<u>238,238</u>
Human Resources				
Personal services	564,476	564,476	556,110	8,366
Operating expenditures	<u>254,377</u>	<u>304,377</u>	<u>167,117</u>	<u>137,260</u>
	<u>818,853</u>	<u>868,853</u>	<u>723,227</u>	<u>145,626</u>
Planning and Zoning				
Personal services	1,678,280	1,678,280	1,643,553	34,727
Operating expenditures	<u>366,891</u>	<u>341,891</u>	<u>287,048</u>	<u>54,843</u>
	<u>2,045,171</u>	<u>2,020,171</u>	<u>1,930,601</u>	<u>89,570</u>
Other General Government				
Personal services	10,000	10,000	3,781	6,219
Operating expenditures	<u>7,017,222</u>	<u>7,308,415</u>	<u>6,912,476</u>	<u>395,939</u>
	<u>7,027,222</u>	<u>7,318,415</u>	<u>6,916,257</u>	<u>402,158</u>
Total General Government	<u>17,404,134</u>	<u>17,735,898</u>	<u>16,037,619</u>	<u>1,698,279</u>
PUBLIC SAFETY				
Code Compliance				
Personal services	598,090	598,090	430,641	167,449
Operating expenditures	111,372	111,372	48,824	62,548
Capital outlay	<u>24,100</u>	<u>24,100</u>	-	<u>24,100</u>
	<u>733,562</u>	<u>733,562</u>	<u>479,465</u>	<u>254,097</u>
Police				
Personal services	18,982,365	18,982,365	19,176,073	(193,708)
Operating expenditures	3,912,951	3,999,412	3,857,218	142,194
Capital outlay	<u>89,000</u>	<u>78,491</u>	<u>76,172</u>	<u>2,319</u>
	<u>22,984,316</u>	<u>23,060,268</u>	<u>23,109,463</u>	<u>(49,195)</u>
Total Public Safety	<u>23,717,878</u>	<u>23,793,830</u>	<u>23,588,928</u>	<u>204,902</u>

(Continued)

TOWN OF JUPITER, FLORIDA

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

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
ENGINEERING AND PUBLIC WORKS				
Personal services	\$ 1,350,743	\$ 1,353,243	\$ 1,378,803	\$ (25,560)
Operating expenditures	101,471	101,471	71,090	30,381
Capital outlay	30,000	30,000	25,432	4,568
	<u>1,482,214</u>	<u>1,484,714</u>	<u>1,475,325</u>	<u>9,389</u>
Public Works				
Personal services	3,444,729	3,444,729	3,351,230	93,499
Operating expenditures	3,094,398	3,150,486	2,682,765	467,721
Capital outlay	23,000	227,587	225,607	1,980
	<u>6,562,127</u>	<u>6,822,802</u>	<u>6,259,602</u>	<u>563,200</u>
Total Engineering and Public Works	<u>8,044,341</u>	<u>8,307,516</u>	<u>7,734,927</u>	<u>572,589</u>
CULTURE AND RECREATION				
Parks and Recreation				
Personal services	1,803,207	1,833,707	1,653,305	180,402
Operating expenditures	1,092,292	1,059,292	912,409	146,883
Capital outlay	24,000	24,792	24,792	-
Total Culture and Recreation	<u>2,919,499</u>	<u>2,917,791</u>	<u>2,590,506</u>	<u>327,285</u>
Total Expenditures	<u>52,085,852</u>	<u>52,755,035</u>	<u>49,951,980</u>	<u>2,803,055</u>
Other Financing Uses				
Transfers out	720,921	720,921	719,492	1,429
	<u>720,921</u>	<u>720,921</u>	<u>719,492</u>	<u>1,429</u>
Total Expenditures and Other Financing Uses	<u>52,806,773</u>	<u>53,475,956</u>	<u>50,671,472</u>	<u>2,804,484</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	4,730,950	<u>\$ 4,730,950</u>
Reconciliation to GAAP basis statements:				
Insurance reimbursements over expenditures			<u>1,859,105</u>	
Net change in fund balance - GAAP basis			<u>\$ 6,590,055</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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Taxes	\$ 2,120,297	\$ 2,120,297	\$ 1,396,489	\$ (723,808)
Charges for services	92,036	92,036	95,360	3,324
Investment earnings	1,000	1,000	28,910	27,910
Total Revenues	<u>2,213,333</u>	<u>2,213,333</u>	<u>1,520,759</u>	<u>(692,574)</u>
EXPENDITURES				
General government				
Personal services	191,168	191,168	-	191,168
Operating expenditures	602,871	615,106	715,295	(100,189)
Capital outlay	422,382	1,460,224	735,494	724,730
Interest and fiscal charges	189,010	189,010	189,010	-
Total Expenditures	<u>1,405,431</u>	<u>2,455,508</u>	<u>1,639,799</u>	<u>815,709</u>
Revenues Over (Under) Expenditures	807,902	(242,175)	(119,040)	123,135
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	719,492	719,492
Transfers out	(911,257)	(1,061,257)	(500,000)	561,257
Appropriated fund balance	103,355	1,303,432	-	(1,303,432)
Total Other Financing Sources (Uses)	<u>(807,902)</u>	<u>242,175</u>	<u>219,492</u>	<u>(22,683)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,452</u>	<u>\$ 100,452</u>

See notes to budgetary comparison schedules.

TOWN OF JUPITER, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULES

SEPTEMBER 30, 2019

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, 2019, supplemental budget appropriations of \$669,183 for the General Fund and \$1,200,077 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, 2019, the Town had commitments related to unperformed contracts, which have been re-appropriated in the 2019-2020 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 Six Fiscal Years

	Measurement Date September 30,	
	2019	2018
Total Pension Liability		
Service cost	\$ 2,406,524	\$ 2,521,070
Interest	6,173,634	5,878,440
Changes of benefit terms	175,084	132,470
Differences between expected and actual experience	1,019,990	(986,328)
Changes of assumptions	885,877	850,361
Benefit payments, including refunds	(3,159,357)	(3,251,402)
Net change in total pension liability	7,501,752	5,144,611
Total pension liability, beginning of fiscal year	83,052,751	77,908,140
Total pension liability, end of fiscal year (a)	\$ 90,554,503	\$ 83,052,751
Plan Fiduciary Net Position		
Contributions		
Employer	\$ 2,346,166	\$ 2,476,765
State of Florida	786,329	743,715
Plan members	1,043,638	991,404
Net investment income (loss)	4,629,836	4,933,798
Benefit payments, including refunds	(3,159,357)	(3,251,402)
Administration expense	(139,405)	(142,815)
Net change in plan fiduciary net position	5,507,207	5,751,465
Plan fiduciary net position, beginning of fiscal year	75,357,007	69,605,542
Plan fiduciary net position, end of fiscal year (b)	\$ 80,864,214	\$ 75,357,007
Net Pension Liability, end of fiscal year [(a)-(b)]	\$ 9,690,289	\$ 7,695,744
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.3%	90.7%
Covered Payroll	\$ 10,407,005	\$ 9,612,905
Net Pension Liability as a Percentage of Covered Payroll	93.1%	80.1%

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 and to 7.3% with the October 1, 2019 actuarial valuation.

Measurement Date September 30,

2017	2016	2015	2014
\$ 2,582,297	\$ 2,364,103	\$ 2,342,424	\$ 2,331,725
5,599,862	5,122,104	4,813,173	4,566,837
20,996	119,360	-	-
(1,242,300)	1,544,666	(51,881)	(1,448,507)
44,485	-	(428,678)	53,064
(3,201,705)	(2,712,827)	(2,334,850)	(2,013,388)
3,803,635	6,437,406	4,340,188	3,489,731
74,104,505	67,667,099	63,326,911	59,837,180
\$ 77,908,140	\$ 74,104,505	\$ 67,667,099	\$ 63,326,911
\$ 2,211,161	\$ 2,251,726	\$ 2,374,127	\$ 2,431,252
632,241	730,605	559,470	527,943
975,895	903,805	783,141	666,691
6,163,642	4,860,116	(1,126,145)	4,769,815
(3,201,705)	(2,712,827)	(2,334,850)	(2,013,388)
(133,665)	(143,660)	(130,608)	(124,608)
6,647,569	5,889,765	125,135	6,257,705
62,957,973	57,068,208	56,943,073	50,685,368
\$ 69,605,542	\$ 62,957,973	\$ 57,068,208	\$ 56,943,073
\$ 8,302,598	\$ 11,146,532	\$ 10,598,891	\$ 6,383,838
89.3%	85.0%	84.3%	89.9%
\$ 9,725,993	\$ 9,049,623	\$ 7,983,304	\$ 7,557,207
85.4%	123.2%	132.8%	84.5%

TOWN OF JUPITER, FLORIDA

Schedule of Town Contributions - Municipal Police Officers' Retirement Trust

Last Ten Fiscal Years

	Fiscal Year Ended September 30,			
	2019	2018	2017	2016
Actuarially determined contribution	\$ 2,346,166	\$ 2,476,765	\$ 2,159,386	\$ 2,168,424
Contributions in relation to actuarially determined contribution	2,346,166	2,476,765	2,211,161	2,251,726
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (51,775)</u>	<u>\$ (83,302)</u>
Covered payroll	<u>\$ 10,407,005</u>	<u>\$ 9,612,905</u>	<u>\$ 9,725,993</u>	<u>\$ 9,049,623</u>
Contributions as a percentage of covered payroll	<u>22.5%</u>	<u>25.8%</u>	<u>22.7%</u>	<u>24.9%</u>

Notes to Schedule:

Actuarial valuation date:

10/1/2019

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	7.3%
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%.

Effective with the October 1, 2019 actuarial valuation, the investment rate of return changed from 7.4% to 7.3%.

Fiscal Year Ended September 30,

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 2,297,194	\$ 2,426,404	\$ 2,473,921	\$ 2,082,682	\$ 3,141,755	\$ 2,945,799
<u>2,374,127</u>	<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>\$ (76,933)</u>	<u>\$ (4,848)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (34,882)</u>	<u>\$ (2)</u>
<u>\$ 7,983,304</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>29.7%</u>	<u>32.2%</u>	<u>33.7%</u>	<u>28.3%</u>	<u>38.2%</u>	<u>35.5%</u>

TOWN OF JUPITER, FLORIDA

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

Last Ten Fiscal Years

<u>Fiscal Year Ended September 30,</u>	<u>Money- Weighted Rate of Return</u>
2019	6.3%
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.

TOWN OF JUPITER, FLORIDA

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

Last Six Fiscal Years

	Measurement Date June 30,	
	2019	2018
Town's proportion of the net pension liability	0.044715658%	0.045472054%
Town's proportionate share of the net pension liability	\$ 15,399,450	\$ 13,696,418
Town covered payroll	\$ 17,045,381	\$ 16,833,609
Town's proportionate share of the net pension liability as a percentage of Town covered payroll	90.34%	81.36%
Plan fiduciary net position as a percentage of the total pension liability	82.6%	84.3%

Notes to Schedule:

Actuarial valuation date	7/1/2019
Actuarial measurement date	6/30/2019
Actuarial methods and assumptions used to determine contribution rates:	
Discount rate - 2019	6.90%
Discount rate - 2018	7.00%
Discount rate - 2017	7.10%
Discount rate - 2016	7.60%
Discount rate - 2014-2015	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	
2019	7.20%
2014 through 2018	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	PUB-2010
2019	Mortality Table Scale MP-2018
2014 through 2018	RP-2000 Mortality Table Projection 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,

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>0.045483477%</u>	<u>0.042422942%</u>	<u>0.039923440%</u>	<u>0.039630951%</u>
<u>\$ 13,453,707</u>	<u>\$ 10,711,826</u>	<u>\$ 5,156,648</u>	<u>\$ 2,418,071</u>
<u>\$ 16,715,630</u>	<u>\$ 15,116,119</u>	<u>\$ 13,301,876</u>	<u>\$ 13,496,363</u>
<u>80.49%</u>	<u>70.86%</u>	<u>38.77%</u>	<u>17.92%</u>
<u>83.9%</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 Six Fiscal Years

	Measurement Date June 30,	
	2019	2018
Town's proportion of the net pension liability	0.050960206%	0.051527758%
Town's proportionate share of the net pension liability	\$ 5,701,937	\$ 5,453,756
Town covered payroll	\$ 17,045,381	\$ 16,833,609
Town's proportionate share of the net pension liability as a percentage of Town covered payroll	33.45%	32.40%
Plan fiduciary net position as a percentage of the total pension liability	2.6%	2.2%

Notes to Schedule:

Actuarial valuation date	7/1/2018
Actuarial measurement date	6/30/2019
Actuarial methods and assumptions used to determine contribution rates:	
Discount rate - 2019	3.50%
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	15 years
Assumption, method and plan changes	15 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	Generational RP-2000 Mortality Table Projection 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,

2017	2016	2015	2014
0.052350980%	0.048949110%	0.044077343%	0.044922742%
\$ 5,597,608	\$ 5,704,816	\$ 4,495,196	\$ 4,200,386
\$ 16,715,630	\$ 15,116,119	\$ 13,301,876	\$ 13,496,363
33.49%	37.74%	33.79%	31.12%
1.6%	1.0%	0.5%	1.0%

TOWN OF JUPITER, FLORIDA

Schedule of Town Contributions
Florida Retirement System FRS and HIS Plans

Last Six Fiscal Years

	Fiscal Year Ended September 30,	
	2019	2018
Florida Retirement System (FRS)		
Contractually required Town contribution	\$ 1,406,460	\$ 1,319,143
Contributions in relation to the contractually required Town contribution	<u>1,406,460</u>	<u>1,319,143</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Town covered payroll	<u>\$ 17,135,908</u>	<u>\$ 16,861,444</u>
Contributions as a percentage of Town covered payroll	<u>8.21%</u>	<u>7.82%</u>
Florida Retiree Health Insurance Subsidy (HIS)		
Contractually required Town contribution	\$ 284,545	\$ 279,839
Contributions in relation to the contractually required Town contribution	<u>284,545</u>	<u>279,839</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Town covered payroll	<u>\$ 17,135,908</u>	<u>\$ 16,861,444</u>
Contributions as a percentage of Town covered payroll	<u>1.66%</u>	<u>1.66%</u>

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,

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,160,342	\$ 1,082,756	\$ 997,371	\$ 868,086
<u>1,160,342</u>	<u>1,082,756</u>	<u>997,371</u>	<u>868,086</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 16,392,069</u>	<u>\$ 15,373,489</u>	<u>\$ 13,944,152</u>	<u>\$ 13,121,419</u>
<u>7.08%</u>	<u>7.04%</u>	<u>7.15%</u>	<u>6.62%</u>
\$ 271,789	\$ 255,186	\$ 191,501	\$ 153,890
<u>271,789</u>	<u>255,186</u>	<u>191,501</u>	<u>153,890</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 16,392,069</u>	<u>\$ 15,373,489</u>	<u>\$ 13,944,152</u>	<u>\$ 13,121,419</u>
<u>1.66%</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

Last Two Fiscal Years

	Measurement Date September 30,	
	2019	2018
Total OPEB Liability		
Service cost	\$ 174,529	\$ 167,430
Interest	135,725	118,110
Changes in assumptions and other inputs	-	(209,355)
Benefit payments	(147,509)	(124,180)
Net change in total OPEB liability	162,745	(47,995)
Total OPEB liability, beginning of fiscal year	3,100,285	3,148,280
Total OPEB liability, end of fiscal year	\$ 3,263,030	\$ 3,100,285
Town Covered Employee Payroll	\$ 28,776,378	\$ 27,676,807
Total OPEB Liability as a Percentage of Town Covered Employee Payroll	11.3%	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:

2019	4.24%
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, 2019

	Special Revenue			
	Road Impact Fee Fund	Recreation Impact Fee Fund	Police Impact Fee Fund	Juvenile First Offender Fund
ASSETS				
Cash and cash equivalents	\$ 3,174,886	\$ 532,435	\$ 73,919	\$ 3,339
Investments	781,886	182,931	20,835	-
Total Assets	<u>\$ 3,956,772</u>	<u>\$ 715,366</u>	<u>\$ 94,754</u>	<u>\$ 3,339</u>
FUND BALANCES				
Restricted for:				
Debt service	\$ -	\$ -	\$ -	\$ -
Capital projects	3,956,772	715,366	-	-
Law enforcement	-	-	94,754	3,339
Total Fund Balances	<u>\$ 3,956,772</u>	<u>\$ 715,366</u>	<u>\$ 94,754</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	
\$ 111,708	\$ 1,668,967	\$ 1,807,206	\$ 1,557,084	\$ 472,524	\$ 9,402,068
-	-	-	-	-	985,652
<u>\$ 111,708</u>	<u>\$ 1,668,967</u>	<u>\$ 1,807,206</u>	<u>\$ 1,557,084</u>	<u>\$ 472,524</u>	<u>\$ 10,387,720</u>
\$ -	\$ -	\$ -	\$ 1,557,084	\$ 472,524	\$ 2,029,608
-	1,668,967	1,807,206	-	-	8,148,311
111,708	-	-	-	-	209,801
<u>\$ 111,708</u>	<u>\$ 1,668,967</u>	<u>\$ 1,807,206</u>	<u>\$ 1,557,084</u>	<u>\$ 472,524</u>	<u>\$ 10,387,720</u>

TOWN OF JUPITER, FLORIDA

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

For the Year Ended September 30, 2019

	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	251,706	121,152	19,707	-	-
Intergovernmental	-	-	-	-	9,520
Investment earnings	19,460	4,553	519	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>271,166</u>	<u>125,705</u>	<u>20,226</u>	<u>-</u>	<u>9,520</u>
EXPENDITURES					
Current					
Public safety	-	-	-	-	9,520
Debt service					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,520</u>
Revenues Over Expenditures	271,166	125,705	20,226	-	-
OTHER FINANCING USES					
Transfers out	(94,795)	(145,545)	-	-	-
Total Other Financing Uses	<u>(94,795)</u>	<u>(145,545)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	176,371	(19,840)	20,226	-	-
Fund balances at beginning of year	<u>3,780,401</u>	<u>735,206</u>	<u>74,528</u>	<u>3,339</u>	<u>-</u>
Fund balances at end of year	<u>\$ 3,956,772</u>	<u>\$ 715,366</u>	<u>\$ 94,754</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	
\$ -	\$ -	\$ -	\$ -	\$ 2,174,893	\$ 2,174,893
-	-	-	-	-	392,565
-	4,496,398	-	4,979,248	-	9,485,166
-	-	-	-	453	24,985
59,974	-	-	-	-	59,974
<u>59,974</u>	<u>4,496,398</u>	<u>-</u>	<u>4,979,248</u>	<u>2,175,346</u>	<u>12,137,583</u>
15,611	-	-	-	-	25,131
-	-	-	956,210	1,710,000	2,666,210
-	-	-	40,329	438,092	478,421
<u>15,611</u>	<u>-</u>	<u>-</u>	<u>996,539</u>	<u>2,148,092</u>	<u>3,169,762</u>
44,363	4,496,398	-	3,982,709	27,254	8,967,821
-	(9,467,420)	-	(3,982,708)	-	(13,690,468)
-	(9,467,420)	-	(3,982,708)	-	(13,690,468)
44,363	(4,971,022)	-	1	27,254	(4,722,647)
67,345	6,639,989	1,807,206	1,557,083	445,270	15,110,367
<u>\$ 111,708</u>	<u>\$ 1,668,967</u>	<u>\$ 1,807,206</u>	<u>\$ 1,557,084</u>	<u>\$ 472,524</u>	<u>\$ 10,387,720</u>

BUDGETARY COMPARISON SCHEDULES

TOWN OF JUPITER, FLORIDA

BUDGETARY COMPARISON SCHEDULE -
SALES TAX REVENUE BOND DEBT SERVICE FUND

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 4,800,000	\$ 4,979,248	\$ 4,979,248	\$ -
Investment earnings	7,000	-	-	-
Total Revenues	<u>4,807,000</u>	<u>4,979,248</u>	<u>4,979,248</u>	<u>-</u>
EXPENDITURES				
Principal retirement	956,210	956,210	956,210	-
Interest and fiscal charges	39,558	40,329	40,329	-
Contingency	111,232	-	-	-
Total Expenditures	<u>1,107,000</u>	<u>996,539</u>	<u>996,539</u>	<u>-</u>
Revenues Over Expenditures	3,700,000	3,982,709	3,982,709	-
OTHER FINANCING USES				
Transfers out	<u>(3,700,000)</u>	<u>(3,982,709)</u>	<u>(3,982,708)</u>	<u>1</u>
Revenues Over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

TOWN OF JUPITER, FLORIDA

BUDGETARY COMPARISON SCHEDULE -
COMMUNITY CENTER DEBT SERVICE FUND

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,148,272	\$ 2,148,272	\$ 2,174,893	\$ 26,621
Investment earnings	-	-	453	453
Total Revenues	<u>2,148,272</u>	<u>2,148,272</u>	<u>2,175,346</u>	<u>27,074</u>
EXPENDITURES				
Principal retirement	1,710,000	1,710,000	1,710,000	-
Interest and fiscal charges	<u>438,272</u>	<u>438,272</u>	<u>438,092</u>	<u>180</u>
Total Expenditures	<u>2,148,272</u>	<u>2,148,272</u>	<u>2,148,092</u>	<u>180</u>
Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,254</u>	<u>\$ 27,254</u>

TOWN OF JUPITER, FLORIDA

BUDGETARY COMPARISON SCHEDULE -
CAPITAL IMPROVEMENTS FUND

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,709,928	\$ 3,709,928	\$ 3,865,370	\$ 155,442
Intergovernmental	827,220	2,131,750	164,682	(1,967,068)
Investment earnings	-	-	490,306	490,306
Donations	-	2,380,000	145,540	(2,234,460)
Miscellaneous	738,394	10,481,073	612,835	(9,868,238)
Total Revenues	5,275,542	18,702,751	5,278,733	(13,424,018)
EXPENDITURES				
General Government				
Operating expenditures	262,000	874,900	188,420	686,480
Capital outlay	590,000	5,869,466	1,925,123	3,944,343
	852,000	6,744,366	2,113,543	4,630,823
Engineering and Public Works				
Operating expenditures	1,000,000	2,362,824	1,564,222	798,602
Capital outlay	1,222,000	11,481,640	1,275,547	10,206,093
	2,222,000	13,844,464	2,839,769	11,004,695
Culture and Recreation				
Operating expenditures	423,000	1,658,551	898,169	760,382
Capital outlay	1,778,542	16,642,348	2,178,139	14,464,209
	2,201,542	18,300,899	3,076,308	15,224,591
Total Expenditures	5,275,542	38,889,729	8,029,620	30,860,109
Revenues Over (Under) Expenditures	-	(20,186,978)	(2,750,887)	17,436,091
OTHER FINANCING SOURCES (USES)				
Transfers in	-	20,192,335	15,447,656	(4,744,679)
Transfers out	-	(5,357)	(5,357)	-
Total Other Financing Sources (Uses)	-	20,186,978	15,442,299	(4,744,679)
Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	\$ 12,691,412	\$ 12,691,412

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	97
<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	112
<i>These schedules contain information to help the reader assess the Town’s most significant local revenue source, the property tax.</i>	
Debt Capacity	118
<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	124
<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	126
<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			
	2010	2011	2012	2013
Governmental activities				
Net investment in capital assets	\$ 56,460,166	\$ 62,008,335	\$ 64,292,660	\$ 67,755,359
Restricted	3,889,822	3,848,303	4,860,324	5,764,100
Unrestricted	31,551,511	28,667,394	30,580,833	36,068,411
Total governmental activities net position	\$ 91,901,499	\$ 94,524,032	\$ 99,733,817	\$ 109,587,870
Business-type activities				
Net investment in capital assets	\$ 169,056,109	\$ 172,379,676	\$ 176,555,586	\$ 178,559,717
Restricted	5,034,126	3,147,578	4,624,949	2,796,683
Unrestricted	34,403,274	37,763,056	39,501,057	54,289,023
Total business-type activities net position	\$ 208,493,509	\$ 213,290,310	\$ 220,681,592	\$ 235,645,423
Primary government				
Net investment in capital assets	\$ 225,516,275	\$ 234,388,011	\$ 240,848,246	\$ 246,315,076
Restricted	8,923,948	6,995,881	9,485,273	8,560,783
Unrestricted	65,954,785	66,430,450	70,081,890	90,357,434
Total primary government net position	\$ 300,395,008	\$ 307,814,342	\$ 320,415,409	\$ 345,233,293

TABLE 1

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 74,609,024	\$ 87,178,931	\$ 91,245,314	\$ 94,709,390	\$ 98,251,923	\$ 106,249,231
5,108,494	6,015,406	6,386,483	11,095,413	16,120,792	12,163,652
38,821,882	27,416,016	29,702,275	26,363,894	27,480,540	43,428,914
<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>	<u>\$ 161,841,797</u>
\$ 184,306,940	\$ 194,307,099	\$ 191,909,758	\$ 194,047,350	\$ 197,010,656	\$ 201,690,198
10,582,761	9,106,898	8,025,089	6,894,379	4,167,642	4,539,226
54,651,166	60,253,357	74,453,424	82,802,676	94,176,869	95,266,944
<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>	<u>\$ 301,496,368</u>
\$ 258,915,964	\$ 281,486,030	\$ 283,155,072	\$ 288,756,740	\$ 295,262,579	\$ 307,939,429
15,691,255	15,122,304	14,411,572	17,989,792	20,288,434	16,702,878
93,473,048	87,669,373	104,155,699	109,166,570	121,657,409	138,695,858
<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>	<u>\$ 463,338,165</u>

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

	Fiscal Year			
	2010	2011	2012	2013
Expenses				
Governmental activities:				
General government	\$ 14,371,564	\$ 14,323,669	\$ 16,091,515	\$ 14,933,432
Public safety	18,954,687	19,673,761	17,729,810	18,331,070
Engineering and public works	5,122,616	6,528,027	6,442,702	7,248,818
Culture and recreation	4,758,188	2,652,672	3,016,009	3,093,620
Interest on long-term debt	1,593,818	1,500,093	1,239,033	1,485,453
Total governmental activities expenses	44,800,873	44,678,222	44,519,069	45,092,393
Business-type activities:				
Water system	19,396,117	20,990,063	18,403,380	18,610,942
Stormwater	2,442,584	2,098,838	1,718,311	2,181,847
Building	1,705,144	1,813,180	1,957,962	2,183,139
Total business-type activities expenses	23,543,845	24,902,081	22,079,653	22,975,928
Total primary government expenses	\$ 68,344,718	\$ 69,580,303	\$ 66,598,722	\$ 68,068,321
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,769,386	\$ 1,809,671	\$ 3,628,914	\$ 1,979,330
Public safety	458,345	439,169	411,540	1,425,790
Engineering and public works	3,757,434	3,903,793	3,834,291	4,056,816
Culture and recreation	1,065,101	1,153,067	1,268,445	1,110,597
Operating contributions and grants:				
General government	391,624	492,366	542,843	410,317
Public safety	724,085	1,124,759	774,117	539,098
Engineering and public works	1,037,859	564,822	615,530	351,944
Culture and recreation	1,600	850	-	-
Capital contributions and grants:				
General government	37,744	28,692	47,489	3,164,600
Public safety	47,604	96,531	145,885	105,781
Engineering and public works	252,033	407,317	315,544	1,100,924
Culture and recreation	573,311	405,680	648,609	813,965
Total governmental activities program revenues	10,116,126	10,426,717	12,233,207	15,059,162
Business-type activities:				
Charges for services:				
Water system	20,523,135	21,417,375	21,000,147	22,440,834
Stormwater	2,690,966	2,846,776	2,312,723	2,271,598
Building	2,228,147	2,372,383	3,489,761	7,059,912
Operating contributions and grants:				
Water system	-	-	18,679	221,108
Stormwater	-	-	-	-
Capital contributions and grants:				
Water system	1,631,587	1,608,599	2,029,850	5,071,628
Stormwater	317,984	1,170,358	332,642	527,300
Total business-type activities program revenues	27,391,819	29,415,491	29,183,802	37,592,380
Total primary government program revenues	\$ 37,507,945	\$ 39,842,208	\$ 41,417,009	\$ 52,651,542

TABLE 2

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 16,024,110	\$ 16,637,105	\$ 18,477,434	\$ 19,564,860	\$ 19,391,006	\$ 19,486,317
18,887,625	18,935,949	21,699,238	22,658,014	23,181,411	24,691,487
7,093,266	6,871,853	7,956,044	9,117,025	9,478,260	9,981,890
3,455,019	3,301,828	3,450,245	4,257,500	4,041,480	4,401,313
1,122,371	951,755	901,567	860,839	761,846	652,880
<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>	<u>59,213,887</u>
18,222,704	18,616,320	19,967,372	21,635,338	22,048,888	22,595,973
1,893,252	2,041,882	2,195,891	2,398,659	2,370,650	2,846,895
3,076,617	3,080,687	3,447,445	3,458,772	3,751,616	4,108,850
<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>29,551,718</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>	<u>\$ 88,765,605</u>
\$ 2,019,811	\$ 2,199,978	\$ 2,115,287	\$ 2,280,076	\$ 2,610,230	\$ 2,462,897
955,659	731,150	439,092	660,870	541,365	876,948
4,004,341	4,439,702	4,373,961	4,613,018	4,796,872	5,089,779
1,237,217	1,298,872	1,144,715	1,181,827	1,265,177	1,342,961
353,933	812,132	2,613,490	648,254	1,194,767	517,950
648,631	623,633	786,588	712,653	818,723	949,002
295,946	299,076	216,381	599,375	233,032	745,204
-	1,100	-	-	4,943	-
5,105,599	8,065,791	1,903,824	541,618	2,916,987	3,693,575
57,829	53,243	28,897	44,671	23,783	29,227
705,201	530,462	459,745	405,721	313,648	397,096
618,173	311,460	234,716	199,466	132,179	222,852
<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>	<u>16,327,491</u>
22,265,341	23,755,364	25,136,478	26,589,627	26,359,138	27,626,343
2,333,048	2,778,836	2,678,185	2,613,792	2,940,150	3,178,624
5,914,206	4,579,262	3,921,256	4,017,180	5,329,430	5,349,574
-	-	-	435,240	49,823	18,734
-	-	-	-	197,383	21,566
4,105,092	3,781,603	2,458,583	2,421,140	2,142,384	1,434,266
2,161,775	5,755,572	1,538,772	273,840	2,202,305	1,434,280
<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>39,063,387</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>	<u>\$ 55,390,878</u>

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

	Fiscal Year			
	2010	2011	2012	2013
Net (expense)/revenue				
Governmental activities	\$ (34,684,747)	\$ (34,251,505)	\$ (32,285,862)	\$ (30,033,231)
Business-type activities	3,847,974	4,513,410	7,104,149	14,616,452
Total primary government net expense	<u>\$ (30,836,773)</u>	<u>\$ (29,738,095)</u>	<u>\$ (25,181,713)</u>	<u>\$ (15,416,779)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes:				
Property taxes	\$ 21,458,933	\$ 19,904,132	\$ 19,919,566	\$ 20,150,640
Franchise fees	4,479,142	4,348,334	4,273,931	4,182,628
Public service taxes	3,612,409	3,678,961	3,751,163	3,967,109
Communications services taxes	3,246,760	3,070,359	3,051,291	2,830,528
Sales taxes	3,064,115	3,224,952	3,596,953	3,793,323
Gas taxes	986,051	1,073,744	1,133,849	1,146,761
Intergovernmental, unrestricted	1,023,881	1,077,577	1,157,751	1,329,434
Investment earnings	706,744	429,981	469,158	652,258
Other	-	27,610	41,102	2,284,727
Transfers	518,013	38,388	100,883	(298,952)
Total governmental activities	<u>39,096,048</u>	<u>36,874,038</u>	<u>37,495,647</u>	<u>40,038,456</u>
Business-type activities:				
Investment earnings	564,341	321,779	380,824	215,677
Gain on disposal of capital assets	-	-	7,192	-
Transfers	(518,013)	(38,388)	(100,883)	298,952
Total business-type activities	<u>46,328</u>	<u>283,391</u>	<u>287,133</u>	<u>514,629</u>
Total primary government	<u>\$ 39,142,376</u>	<u>\$ 37,157,429</u>	<u>\$ 37,782,780</u>	<u>\$ 40,553,085</u>
Changes in Net Assets				
Governmental activities	\$ 4,411,301	\$ 2,622,533	\$ 5,209,785	\$ 10,005,225
Business-type activities	3,894,302	4,796,801	7,391,282	15,131,081
Total primary government	<u>\$ 8,305,603</u>	<u>\$ 7,419,334</u>	<u>\$ 12,601,067</u>	<u>\$ 25,136,306</u>

TABLE 2

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ (30,580,051)	\$ (27,361,891)	\$ (38,167,832)	\$ (44,570,689)	\$ (42,002,297)	\$ (42,886,396)
13,586,889	16,911,748	10,122,569	8,858,050	11,049,459	9,511,669
<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>	<u>\$ (33,374,727)</u>
\$ 20,884,758	\$ 22,321,359	\$ 24,582,705	\$ 26,376,117	\$ 27,999,283	\$ 29,327,134
4,529,052	4,708,567	4,666,753	4,555,475	4,780,075	4,796,053
4,340,039	4,521,728	4,717,433	4,872,381	4,963,194	5,082,420
2,801,452	2,712,314	2,610,258	2,527,223	2,627,795	2,604,323
4,111,083	4,381,431	4,521,600	6,965,372	9,231,139	9,475,646
1,202,381	1,280,924	1,325,773	1,394,012	1,385,729	1,402,154
1,487,636	1,652,844	1,729,267	1,861,678	1,963,607	2,051,360
275,260	921,474	742,188	853,056	1,028,793	2,901,309
-	47,042	-	-	-	-
(100,080)	(52,500)	(4,426)	-	157,168	5,234,539
<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>	<u>62,874,938</u>
204,322	415,747	589,855	498,084	964,703	1,859,551
4,153	2,868	4,067	-	4,120	4,520
100,080	52,500	4,426	-	(157,168)	(5,234,539)
<u>308,555</u>	<u>471,115</u>	<u>598,348</u>	<u>498,084</u>	<u>811,655</u>	<u>(3,370,468)</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>	<u>\$ 59,504,470</u>
\$ 8,951,530	\$ 15,133,292	\$ 6,723,719	\$ 4,834,625	\$ 12,134,486	\$ 19,988,542
13,895,444	17,382,863	10,720,917	9,356,134	11,861,114	6,141,201
<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>	<u>\$ 26,129,743</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
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
2019	29,327,134	4,796,053	5,082,420	2,604,323	9,475,646	1,402,154	52,687,730

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

	Fiscal Year			
	2010	2011	2012	2013
General Fund				
Reserved	\$ 8,544,901	\$ -	\$ -	\$ -
Unreserved				
Designated for subsequent year's budget	1,071,105	-	-	-
Undesignated	14,582,473	-	-	-
Nonspendable:				
Inventory	-	74,900	55,682	55,551
Prepaid items	-	96,754	74,758	106,594
Advance due from other fund	-	5,817,246	7,210,178	6,837,333
Note receivable	-	350,000	4,795	14,000
Restricted for:				
Law enforcement	-	95,760	102,862	396,824
Economic development	-	1,685,000	1,825,000	1,240,000
Assigned to:				
Subsequent year's budget	-	389,963	437,249	437,249
Health insurance	-	-	350,000	350,000
Unassigned	-	15,189,275	16,197,279	19,384,430
Total General Fund	\$ 24,198,479	\$ 23,698,898	\$ 26,257,803	\$ 28,821,981
All other governmental funds				
Reserved	\$ 7,928,057	\$ -	\$ -	\$ -
Unreserved				
Designated for subsequent year's budget	-	-	-	-
Undesignated (deficit), reported in:				
Special revenue funds	(3,968,849)	-	-	-
Capital projects fund	15,044,109	-	-	-
Debt service funds	498,007	-	-	-
Nonspendable:				
Prepaid items	-	295	25,000	-
Note receivable	-	-	-	-
Restricted for:				
Debt service	-	1,016,875	1,351,853	1,356,700
Capital projects	-	1,674,514	2,139,789	3,613,705
Law enforcement	-	463,404	535,206	253,257
Special projects	-	4,607	-	-
Assigned to:				
Capital projects	-	13,876,916	13,182,091	15,282,563
Unassigned Special Revenue Funds (deficit)	-	(4,257,561)	(4,119,280)	(3,830,602)
Total all other governmental funds	\$ 19,501,324	\$ 12,779,050	\$ 13,114,659	\$ 16,675,623

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

TABLE 4

Fiscal Year						
2014	2015	2016	2017	2018	2019	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
58,469	62,610	66,005	83,445	29,760	20,970	
68,699	16,937	10,997	22,948	13,991	18,025	
7,005,093	7,141,327	5,957,885	5,901,436	5,009,196	4,908,899	
280,349	201,173	171,173	111,173	111,173	111,173	
442,379	616,188	509,748	823,659	471,525	475,935	
128,750	1,055,891	1,163,147	1,520,195	1,039,623	1,800,720	
563,478	936,613	-	-	228,823	-	
-	-	-	-	-	-	
24,281,146	26,918,797	31,856,248	29,676,802	33,412,574	39,570,998	
<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>	<u>\$ 46,906,720</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
480	-	-	-	-	2,966	
-	-	-	-	-	74,087	
1,391,468	1,460,655	1,523,685	1,565,663	2,002,353	2,029,608	
3,897,102	3,583,629	3,939,363	7,708,287	12,962,802	8,148,311	
331,676	409,221	247,577	259,512	145,212	209,801	
-	-	-	-	-	-	
14,754,007	13,615,890	13,859,274	14,157,056	16,307,489	28,998,901	
(5,000,627)	(5,218,611)	(4,354,660)	(4,115,803)	(4,720,286)	(4,696,887)	
<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>	<u>\$ 34,766,787</u>	

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

	Fiscal Year			
	2010	2011	2012	2013
Revenues				
Taxes	\$ 29,304,153	\$ 27,727,196	\$ 27,855,869	\$ 28,095,038
Franchise fees	4,479,142	4,348,334	4,273,931	4,182,628
Licenses and permits	1,094,680	1,134,195	1,239,148	2,544,020
Intergovernmental	5,456,965	5,661,131	8,198,174	6,291,091
Charges for services	6,055,850	6,240,082	6,225,043	6,256,912
Fines and forfeitures	327,460	269,358	244,539	1,260,301
Investment earnings	706,744	429,981	351,874	672,832
Donations	17,539	18,232	52,539	12,516
Miscellaneous	1,214,337	1,383,327	981,045	586,167
Total revenues	<u>48,656,870</u>	<u>47,211,836</u>	<u>49,422,162</u>	<u>49,901,505</u>
Expenditures				
General government	13,164,978	13,288,516	14,747,654	13,356,935
Public safety	18,440,710	19,420,913	17,338,508	17,956,791
Engineering and public works	4,070,093	5,311,159	5,094,941	5,966,405
Culture and recreation	3,677,947	2,064,406	2,091,646	2,349,967
Capital outlay	2,076,830	10,912,494	4,196,777	2,740,398
Debt service				
Principal	2,111,705	2,037,128	2,023,714	2,080,000
Interest	1,587,626	1,494,706	1,234,683	1,494,976
Total expenditures	<u>45,129,889</u>	<u>54,529,322</u>	<u>46,727,923</u>	<u>45,945,472</u>
Revenues over (under) expenditures	3,526,981	(7,317,486)	2,694,239	3,956,033
Other financing sources (uses)				
Issuance of refunding debt	-	-	-	-
Proceeds from sale of assets	8,174	34,323	51,969	2,851,749
Insurance recoveries	37,291	22,920	47,423	66,312
Transfers in	7,110,943	3,641,924	2,707,113	331,036
Transfers out	(6,592,930)	(3,603,536)	(2,606,230)	(3,629,988)
Total other financing sources (uses)	<u>563,478</u>	<u>95,631</u>	<u>200,275</u>	<u>(380,891)</u>
Net change in fund balances	<u>\$ 4,090,459</u>	<u>\$ (7,221,855)</u>	<u>\$ 2,894,514</u>	<u>\$ 3,575,142</u>
Debt service as a percentage of non-capital expenditures	<u>8.59%</u>	<u>8.10%</u>	<u>7.66%</u>	<u>8.27%</u>

TABLE 5

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 29,228,630	\$ 30,836,325	\$ 33,236,169	\$ 35,169,733	\$ 36,976,001	\$ 38,416,031
4,529,052	4,708,567	4,666,753	4,555,475	4,780,075	4,796,053
2,016,519	1,533,911	1,066,601	1,171,336	1,180,932	979,343
6,615,107	7,635,751	9,510,011	9,773,878	12,309,014	12,830,540
6,654,078	7,301,741	7,417,420	7,617,007	8,098,492	8,968,660
809,176	588,992	275,109	492,517	317,617	217,147
371,970	921,474	742,188	853,056	1,028,793	2,901,309
17,165	93,187	131,426	94,048	108,014	164,855
455,153	572,514	407,932	1,072,829	1,179,402	1,063,509
<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>	<u>70,337,447</u>
14,241,177	14,755,838	15,764,985	17,212,029	16,923,247	16,495,149
18,372,987	18,470,593	20,166,583	21,149,280	22,278,196	22,533,970
5,978,964	5,998,872	6,822,473	7,941,816	8,371,545	8,732,062
2,632,392	2,493,809	2,533,217	3,272,414	3,017,915	3,370,928
3,832,247	6,609,289	4,766,872	5,125,886	2,952,087	6,466,306
7,491,528	2,308,667	2,386,459	2,479,478	2,562,727	2,666,210
1,145,325	990,831	912,340	873,015	774,820	667,431
<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>	<u>60,932,056</u>
(2,997,770)	2,564,563	4,100,680	2,745,961	9,097,803	9,405,391
5,270,000	-	-	-	-	-
31,145	80,788	53,868	17,970	44,891	19,342
51,570	5,000	-	-	-	-
4,136,602	4,425,579	3,875,995	5,838,077	4,375,651	20,149,856
<u>(4,236,682)</u>	<u>(4,478,079)</u>	<u>(3,877,421)</u>	<u>(5,838,077)</u>	<u>(4,218,483)</u>	<u>(14,915,317)</u>
<u>5,252,635</u>	<u>33,288</u>	<u>52,442</u>	<u>17,970</u>	<u>202,059</u>	<u>5,253,881</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>\$ 14,659,272</u>
<u>17.32%</u>	<u>7.33%</u>	<u>6.79%</u>	<u>6.33%</u>	<u>6.19%</u>	<u>6.12%</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
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
2019	29,327,134	5,082,420	2,604,323	1,402,154	38,416,031	4,796,053	43,212,084

(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
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
2019	43,212,084	979,343	12,830,540	8,968,660	217,147	2,901,309

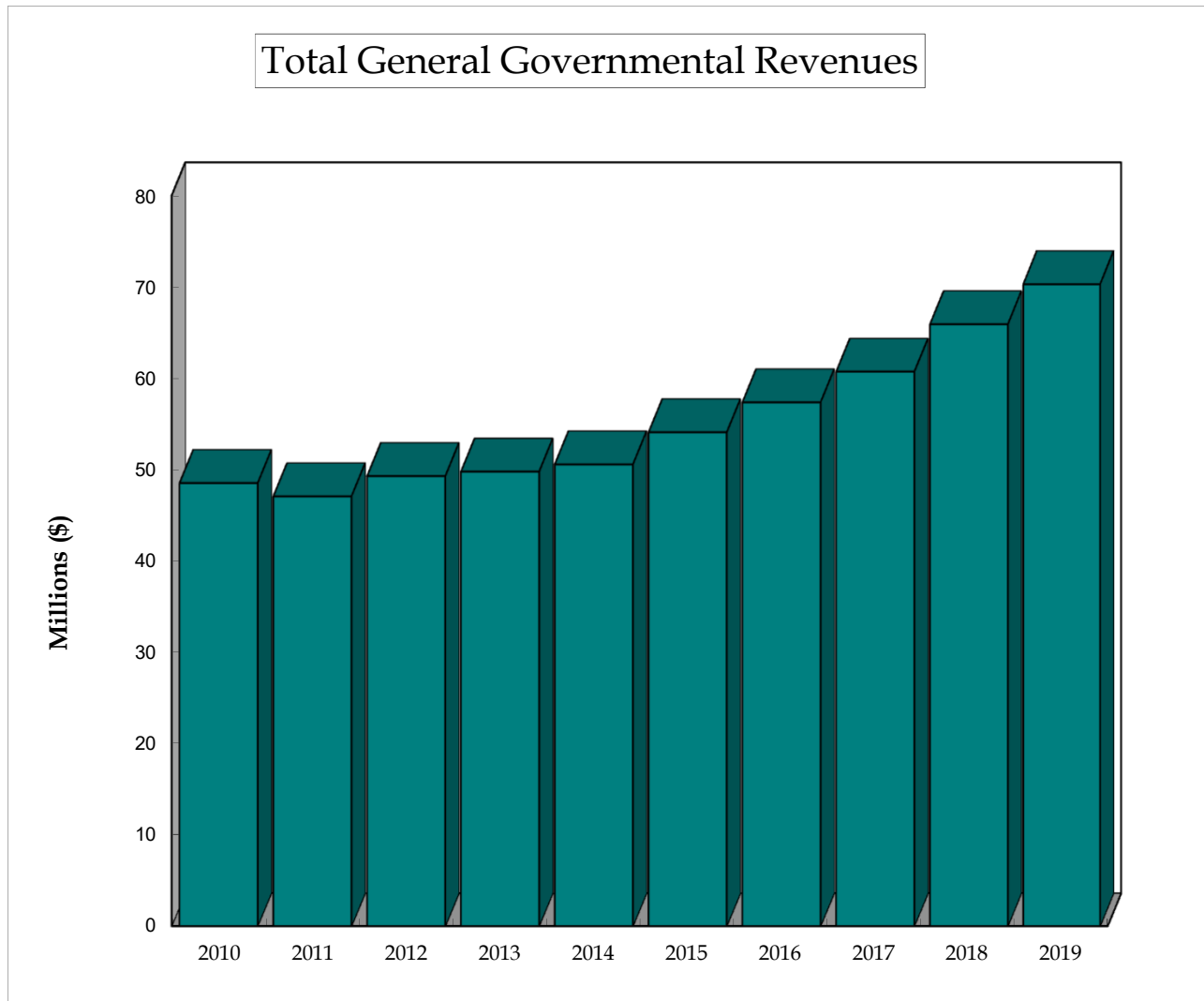


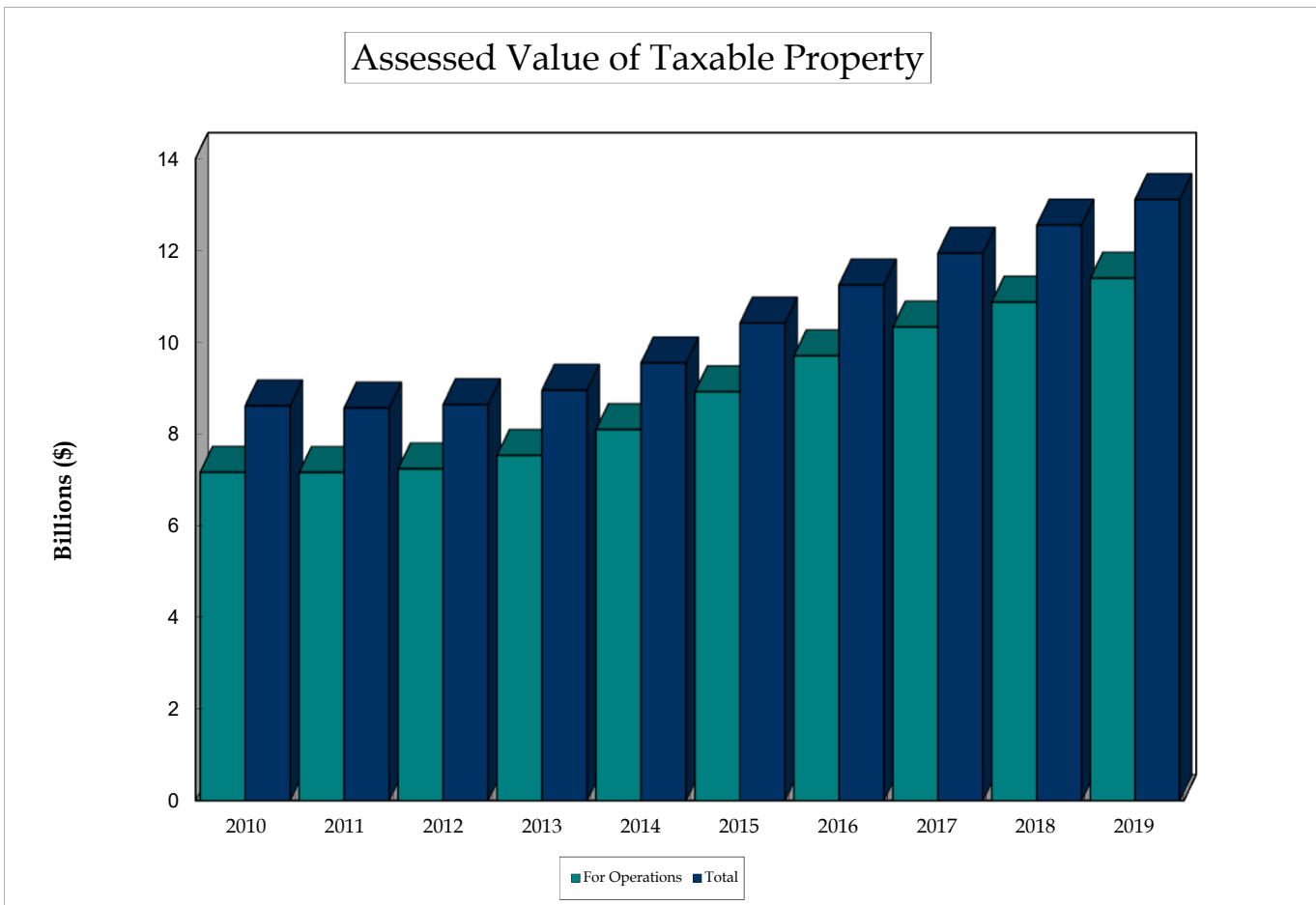
TABLE 7

<u>Miscellaneous</u>	<u>Total</u>
\$ 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
1,228,364	70,337,447

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)
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
2019	12,756,217,115	345,974,844	2,033,243	1,714,368,700	11,389,856,502	2.6611	13,104,225,202



(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
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
2019	2.4633	0.1978	2.6611	4.7815	0.0765	4.8580

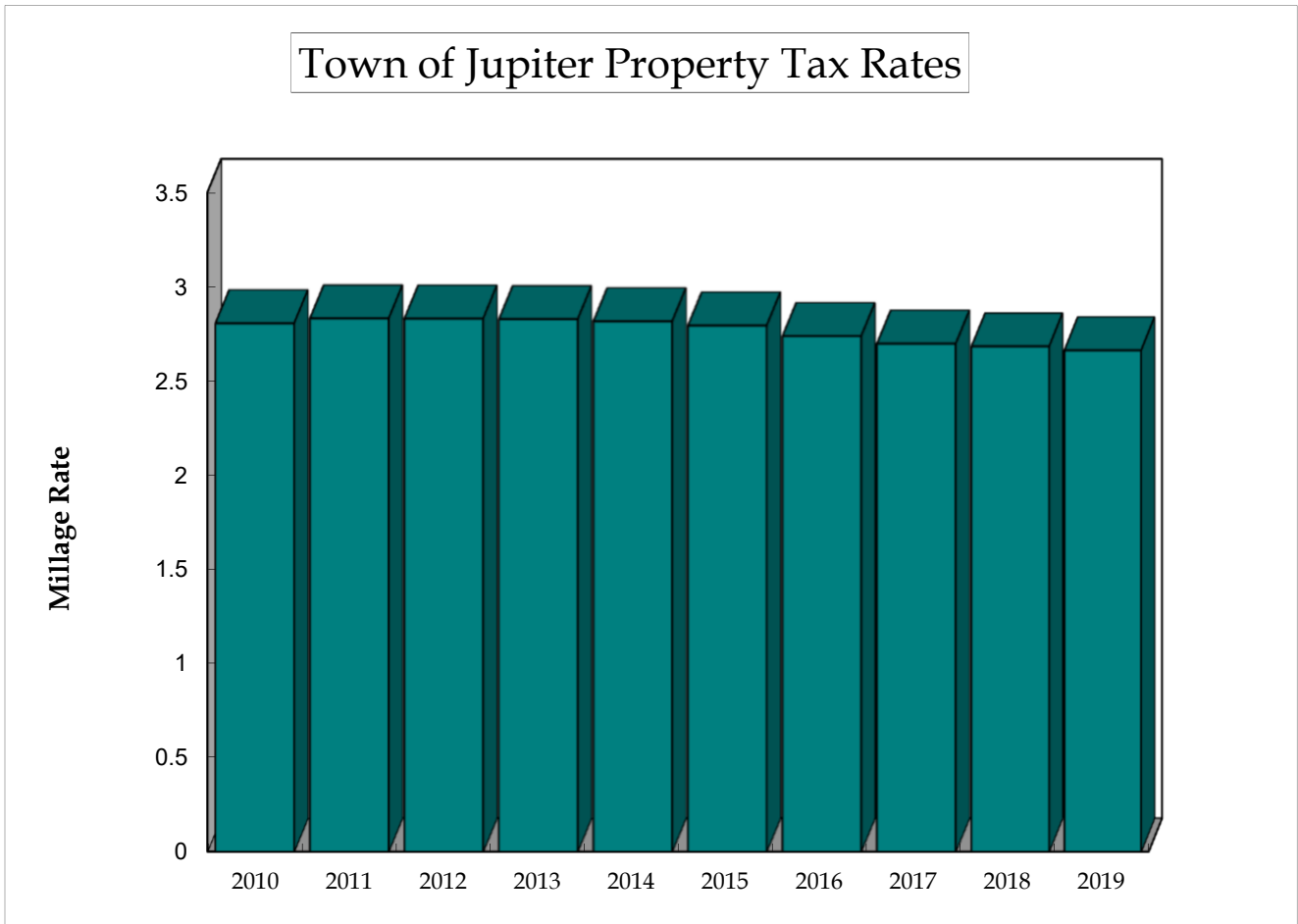
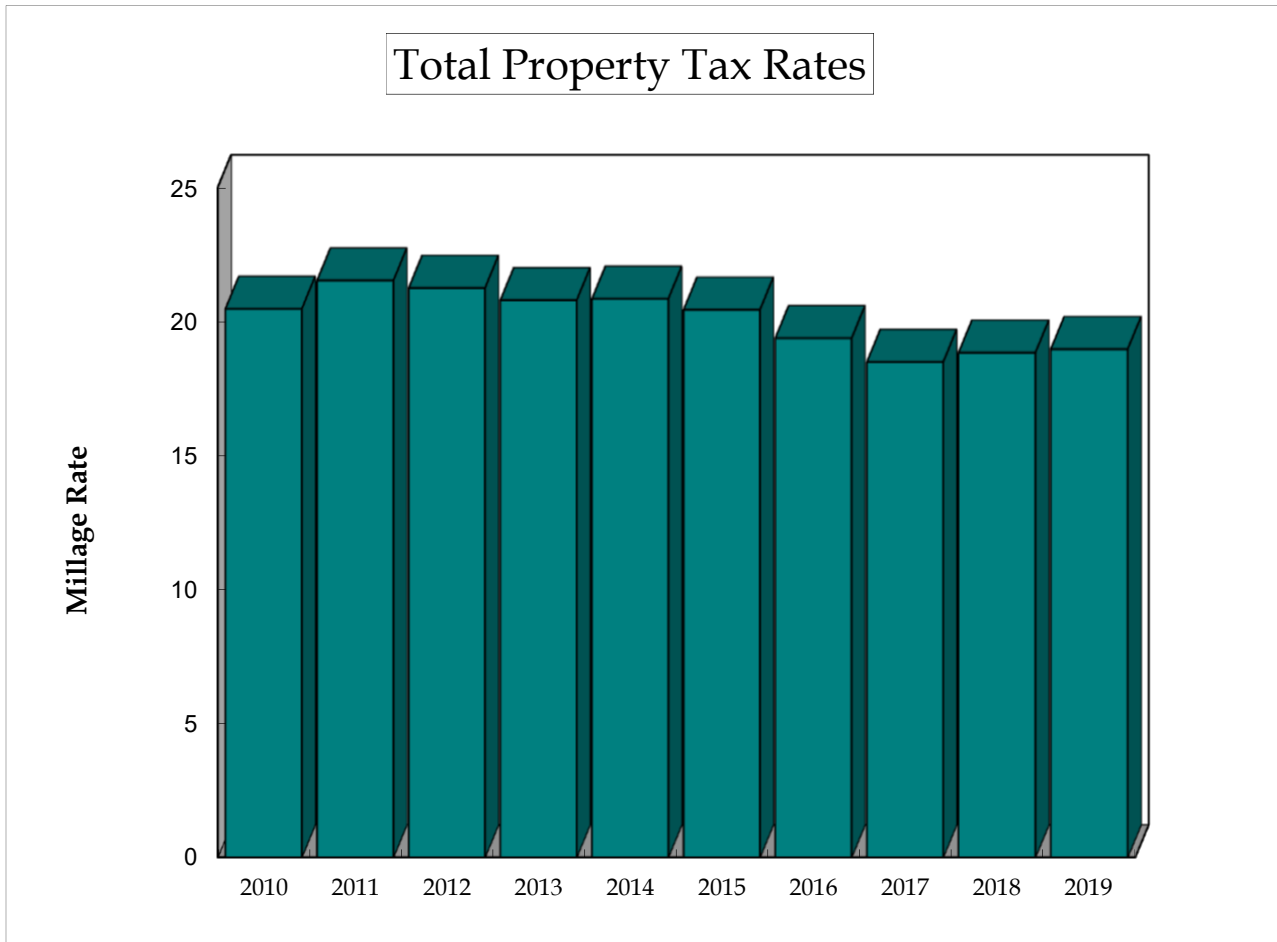


TABLE 9

Overlapping Property Tax Rates -				
Palm Beach County School District			Palm Beach	
Operating Millage	Debt Service	Total School Millage	County Special Districts	Total
7.983	-	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
7.164	-	7.164	4.2838	18.9669



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

	2019		
	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Assessed Value for Operations</u>
Florida Power & Light Co	\$ 91,527,874	1	0.80%
Hart Abacoa LLC	82,846,922	2	0.73%
207 Florida Reality Associates LLC	73,226,052	3	0.64%
Harbourside Place LLC	69,000,000	4	0.61%
Northland Floresta LLC	65,820,000	5	0.58%
KMF X Jupiter LLC	61,051,381	6	0.54%
Club at Admirals Cove, Inc.	40,849,451	7	0.36%
Jupiter Resort LLC	40,369,840	8	0.35%
PRCP Abacoa Investment LLC	37,406,938	9	0.33%
Regency Centers LP	28,932,437	10	0.25%
RBF, LLC	-	-	-
TGM Abacoa LLC	-	-	-
TGM Floresta LLC	-	-	-
Jupiter CCC LLC	-	-	-
Holiday Jupiter LLC	-	-	-
Divosta Homes, LP	-	-	-
Bears Club Founding	-	-	-
Bears Club Dev Co	-	-	-
Totals	<u>\$ 591,030,895</u>		<u>5.19%</u>

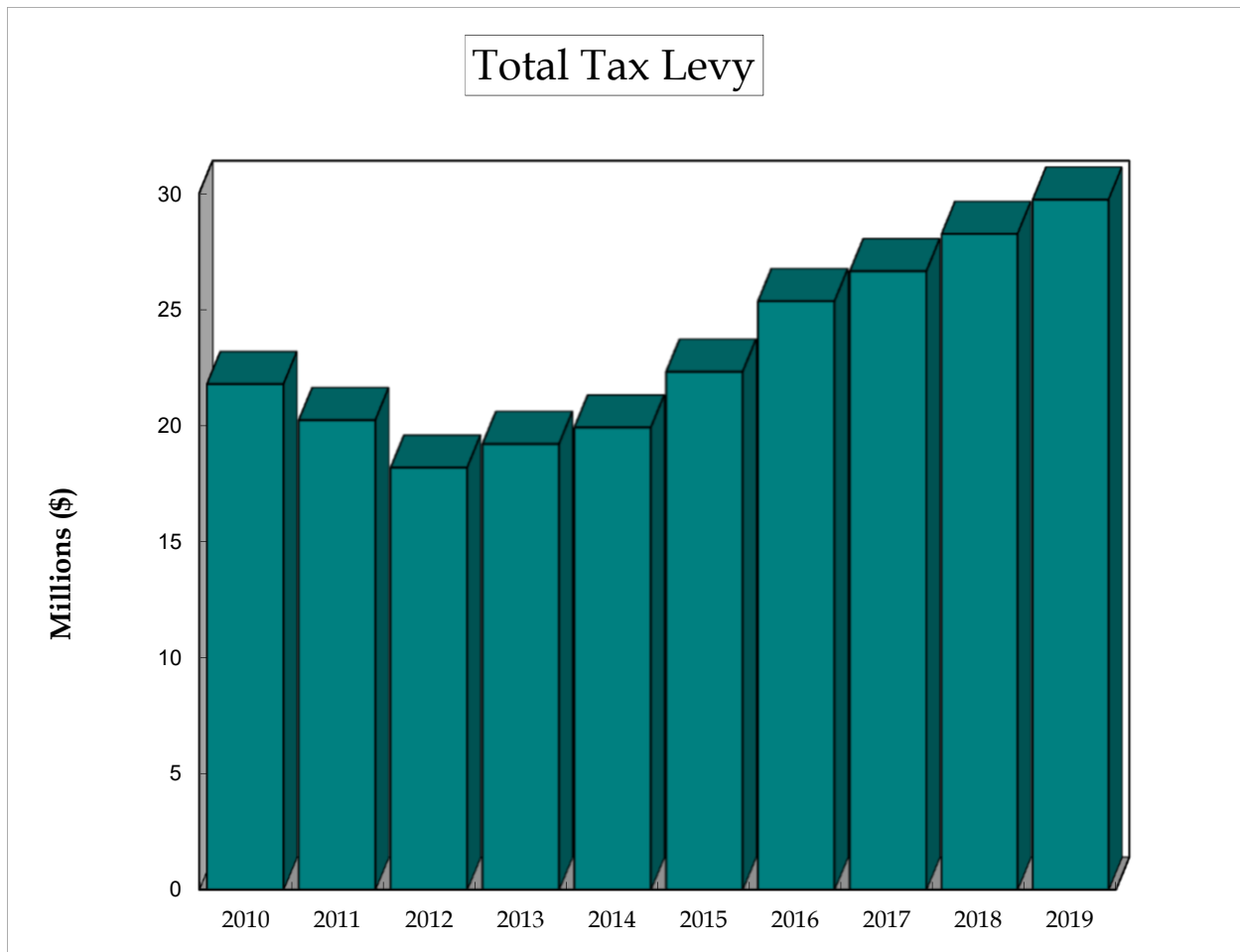
Source: Palm Beach County Property Appraiser.

TABLE 10

2010		
<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Assessed Value for Operations</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
27,468,231	5	0.38%
-	-	-
-	-	-
21,286,593	8	0.30%
74,650,033	1	1.04%
52,995,820	2	0.74%
45,824,315	3	0.64%
44,250,439	4	0.62%
26,554,589	6	0.37%
21,603,753	7	0.30%
15,264,841	9	0.21%
11,881,112	10	0.17%
<u>\$ 341,779,726</u>		<u>4.77%</u>

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

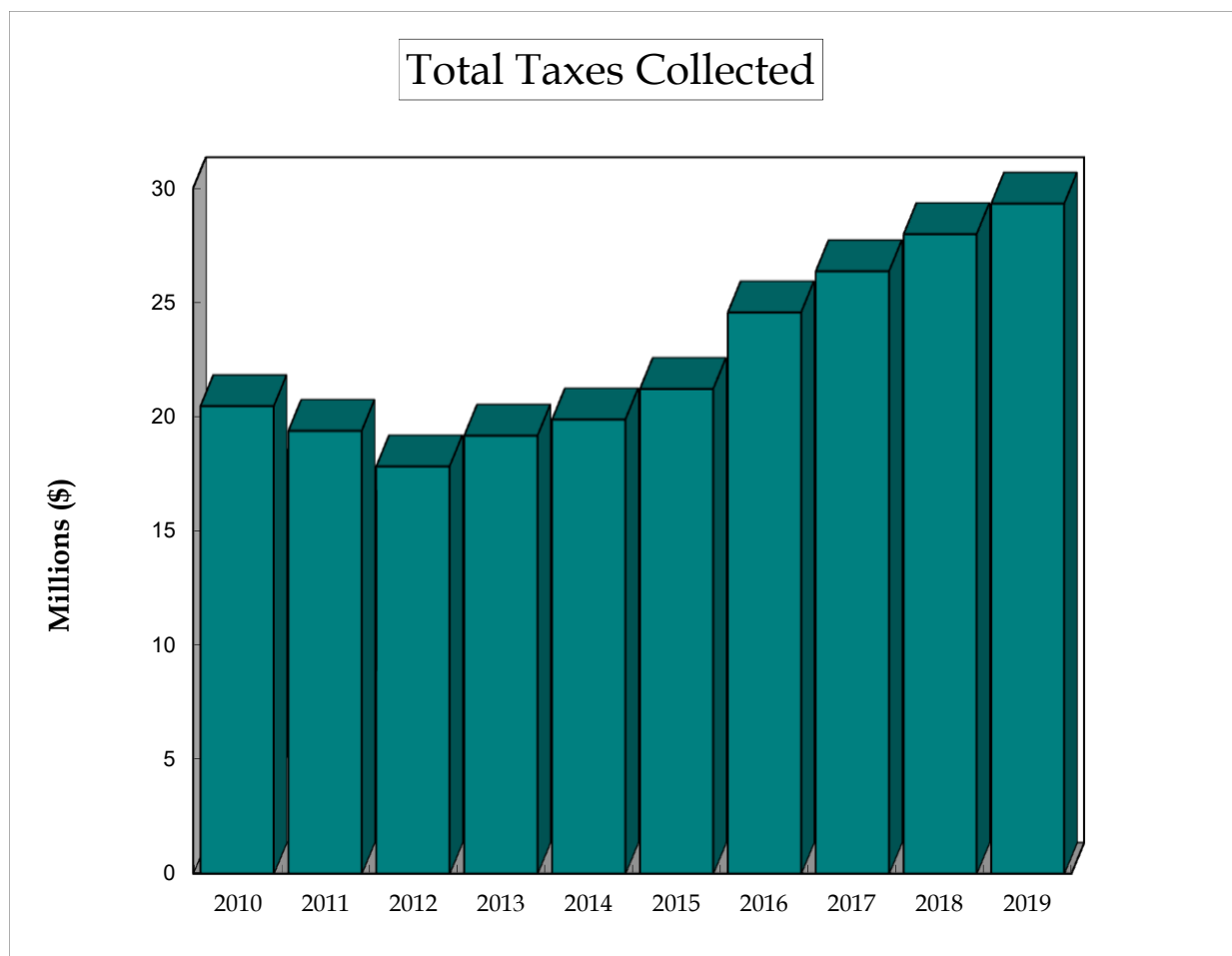
Fiscal Year	Total Tax Levy	Amount of Current Taxes Collected (1)	Percent of Total Tax Levy Collected	Amount of Delinquent Taxes Collected	Total Collected for the Year
2010	\$ 21,787,176	\$ 20,325,926	93.3 %	\$ 163,669	\$ 20,489,595
2011	20,240,381	19,335,797	95.5	76,986	19,412,783
2012	18,195,931	17,757,247	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
2019	29,722,342	29,321,830	98.7	5,304	29,327,134



(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>
94.0 %	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
98.7	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	
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	
2019	8,064	0.06	129.03	980	-	9,044	

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⁾
\$ 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	34.53	618.51
20,885	-	20,885	32,588	0.26	N/A	524.77
18,573	-	18,573	27,617	0.21	N/A	441.89

TOWN OF JUPITER, FLORIDA
Direct and Overlapping Governmental Activities Debt
As of September 30, 2019

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	\$ 9,043,768	100.00%	\$ 9,043,768
Overlapping Debt:			
Debt repaid with property taxes			
Palm Beach County	61,115,000	6.59%	4,027,479
Other debt			
Palm Beach County ⁽²⁾	667,929,837	6.59%	44,016,576
Palm Beach County School Board ⁽³⁾	1,286,885,000	6.59%	84,805,722
Total Overlapping Debt			132,849,777
Total Direct and Overlapping Debt			\$ 141,893,545
Estimated Population			62,497
Total Direct and Overlapping Debt per Capita			\$ 2,270.41

⁽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	
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
2019	11,389,856	1,714,369	13,104,225	1,965,634	8,064	1,957,570	0.41

⁽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⁾
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
2019	4,979,248	996,539	5.00

⁽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⁾	
\$ 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	
28,989,206	15,513,104	13,476,102	2,825,882	4.77	

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⁾
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	118,519	79,760	3.1%	10,187
2019	62,497	N/A	N/A	3.4%	10,306

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 2019.

⁽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	2019 ⁽¹⁾			2010 ⁽¹⁾		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Palm Beach County School District	21,466	1	40%	21,718	1	38%
Tenet Healthcare Corp.	5,939	2	11%	11,319	2	20%
Palm Beach County	5,952	3	11%	4,500	3	8%
Florida Power & Light (Headquarters)	4,404	4	8%	3,632	4	6%
Hospital Corporation of America	3,550	5	7%	3,395	5	6%
Boca Raton Regional Hospital	2,800	6	5%	2,100	9	4%
Florida Atlantic University	2,644	7	5%	2,838	7	5%
Veterans Health Administration	2,535	8	5%	2,207	8	4%
Bethesda Health, Inc.	2,282	9	4%	-	-	-
Office Depot, Inc. (Headquarters)	2,034	10	4%	2,100	9	4%
Wackenhut Corporation	-		-	3,000	6	5%
Totals	53,606		100%	56,809		100%

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

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

TABLE 18

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Town Manager	3.5	3.5	3.5	3.5	3.5	3	4	4	4	4
Town Clerk	6	6	5	5	5	5	5	5	5	5
Finance	9	9	9.5	8.25	8	8	8	8	8	8
Human Resources	6.5	6	5.5	5.75	5	5	5	5	5	5
Information Systems	13	13	13	12	12	11	11	11	12	12
Neighborhoods	2.75	3.25	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
External Affairs	2.5	2.5	2.5	4	4	5	5	6	6	6
Special Projects	2	-	-	-	-	-	-	-	-	-
Public Safety										
Police Officers	110	110	110	109	109	112	116	116	118	118
Civilian Police	33.25	34	18	19	18	19	22	24	25	25
Engineering/Public Works										
Engineering	11	10	10	10	10	10	10	10	11	11
Public Works	24	21	21	21	20.5	22.5	20.5	20.5	19.5	18
Parks Maintenance	-	15	15	15	13	15	19	21	22	25.5
Culture and Recreation										
Parks and Recreation	34.5	17.75	17.75	16.75	17	17.5	17.5	18.88	18.88	19.62
Water System										
Plant	25	27	28	28	28	28	28	29	29	30
Field	13	14	11	15	15	17	17	17.5	17.5	17.5
Administration	22	20	18	16	16	16	17	18	18	18
Building Department										
Building	25	24	21.5	23	22	24	24	25	27	28
Planning	14.25	13.25	13.25	13	13.75	12.75	14.75	14.75	15.75	15.75
Business Registration	2	2	2	2.5	3	4.3	4.3	2.8	3	3
Code Enforcement	7	7	7	7	8	8	7	8	8	8
Stormwater System										
Field	3	5	4	4	4	5	5	5	5	5
Administration	3	2	4	4	3.5	3.5	3.5	4	4	4
Total	372.25	365.25	342.25	344.50	341.00	354.30	366.30	376.18	384.38	389.12

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

TABLE 19

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police										
Physical arrests	1,197	1,146	1,102	1,184	1,351	1,186	1,483	1,535	1,659	1,582
Parking violations	1,114	1,347	1,655	1,299	1,241	1,036	1,164	1,409	1,041	762
Traffic violations	17,390	12,976	13,175	6,651	6,637	5,400	6,171	5,698	7,984	8,042
Code Compliance										
Code violations	3,455	3,738	3,516	3,591	2,069	3,447	2,352	3,316	3,257	2,293
Public Works										
Street resurfacing (lane miles)	2.5	6.28	1.14	6.92	17.43	4.5	8.5	1.4	8.5	10.6
Pot holes repaired	25	9	40	42	29	71	52	58	73	37
Culture and Recreation										
Parks and Recreation										
Recreation programs offered	517	611	642	633	591	537	519	520	525	530
Recreation program participants	18,235	19,710	29,066	45,731	49,055	59,425	71,073	71,849	79,034	85,525
Youth athletic participants (JTAA)	7,259	7,650	6,869	6,925	6,192	6,256	6,161	6,446	6,423	6,670
Camp program participants	978	929	929	1,144	1,586	1,912	1,876	2,032	2,203	2,807
Athletic camp participants	917	967	967	887	927	958	960	995	1,120	1,129
Skate park participants	14,040	12,477	13,582	14,182	16,004	15,782	22,922	21,803	22,675	6,617
Water System										
Water customers	27,343	27,597	27,924	28,415	28,900	29,180	29,484	29,778	30,087	30,260
Permitted Capacity per day (million gallons)	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Average daily water consumption (million gallons)	14.09	14.97	14.74	14.80	14.74	15.66	15.72	16.47	15.51	15.80
Building Department										
Building permits issued	5,442	5,659	6,199	7,568	8,930	8,222	6,297	7,646	8,898	8,743
Value of permits (in thousands)	\$ 133,352	\$ 126,173	\$ 147,459	\$ 330,520	\$ 308,242	\$ 235,345	\$ 208,708	\$ 175,709	\$ 261,372	\$ 272,649
Stormwater System										
Stormwater customers	21,224	21,625	21,709	22,161	22,518	22,600	22,820	22,993	23,155	23,261

Sources: Town departments.

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

TABLE 20

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	154	149	147	158	148	150	148	148	147	141
Code Compliance										
Vehicles	7	6	8	8	8	8	8	9	9	8
Engineering and Public Works										
Centerline road miles	116.21	118.59	119.08	121.45	126.50	139.21	139.21	138.93	142.79	146.69
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	26	26	26	26	26
Basketball courts	12	12	12	12	12	12	12	12	12	12
Multi-purpose fields	12	12	12	12	12	16	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	18	19
Parks (acres)	265	265	265	265	265	265	265	265	278	325
Water System										
Water mains (miles)	444	447	454	458	462.3	466.7	468.0	469.8	473.5	175.5
Plants	1	1	1	1	1	1	1	1	1	1
Fire hydrants	3,414	3,428	3,502	3,542	3,596	3,621	3,646	3,717	3,711	3,758
Building Department										
Vehicles	13	13	11	10	9	9	9	9	9	9
Stormwater System										
Stormwater sewers (miles)	76	80	80	86	86	86.3	93.8	93.8	92.7	93.9

Source: Town departments.

TOWN OF JUPITER, FLORIDA
Schedule of Insurance in Force
As of September 30, 2019

TABLE 21

Type of Coverage	Coverage Amount	
Property	\$ 134,355,890	(1, 10)
Equipment Breakdown	50,000,000	(1, 10)
Inland Marine	3,490,884	(1, 10)
Ocean Marine	265,432	(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	225,000 150,000 75,000	(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, 2019

TABLE 22

<u>Official</u>	<u>Annual Salary</u>
Mayor	\$ 22,200
Council (4 members)	18,600 (per member)
Town Manager	226,986
Assistant Town Manager	158,183
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
Planning and Zoning Director	141,707
Building Department Director	141,543
Town Clerk	134,879
Community Relations Director	124,039
Information Systems Director	115,923
Recreation Director	110,878
Human Resources Director	100,041

**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, 2019, 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 March 17, 2020. 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, Dauter, Levine,
Cohen, Porter & Veil, P.A.*

West Palm Beach, Florida
March 17, 2020



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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, 2019, and have issued our report thereon dated March 17, 2020. Our report included a reference to another auditor. This management letter does not include any matters reported on separately by the other auditor in their management letter, if any.

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; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on 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, which are dated March 17, 2020, 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 report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information 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 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, 2019.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Town as of September 30, 2019. 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.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

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

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.

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

West Palm Beach, Florida
March 17, 2020



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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, 2019. 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, 2019.

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
March 17, 2020