

**Audited Financial Statements  
and Supplementary Financial Information**

**Jupiter Community  
Redevelopment Agency**

**A Component Unit of the  
Town of Jupiter, Florida**

**Fiscal Year Ended September 30, 2020**



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

JUPITER COMMUNITY REDEVELOPMENT AGENCY -  
A COMPONENT UNIT OF THE TOWN OF JUPITER, FLORIDA

AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY FINANCIAL INFORMATION

September 30, 2020

TABLE OF CONTENTS

	<u>Page Number</u>
INDEPENDENT AUDITOR'S REPORT .....	1
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	3
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position .....	8
Statement of Activities .....	9
Fund Financial Statements	
Balance Sheet - Governmental Fund .....	10
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund .....	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities.....	12
Notes to Financial Statements.....	13
SUPPLEMENTARY FINANCIAL INFORMATION	
Required Supplementary Information	
General Fund	
Budgetary Comparison Schedule.....	22
Notes to Budgetary Comparison Schedule .....	23
COMPLIANCE REPORT AND MANAGEMENT LETTER	
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 <i>Government Auditing Standards</i> .....	24
Management Letter .....	26
Independent Accountant's Report on Investment Compliance .....	28



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## Independent Auditor's Report

To the Board of Commissioners  
Jupiter Community Redevelopment Agency  
Town of Jupiter, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and major fund of the Jupiter Community Redevelopment Agency, a component unit of the Town of Jupiter, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Jupiter Community Redevelopment Agency 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 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Jupiter Community Redevelopment Agency, as of September 30, 2020, and the respective changes in financial position 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 3 through 7 and the *budgetary comparison schedule* on pages 22 and 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2021 on our consideration of the Jupiter Community Redevelopment Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Jupiter Community Redevelopment Agency'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 Jupiter Community Redevelopment Agency's internal control over financial reporting and compliance.

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

West Palm Beach, Florida  
March 23, 2021

## Management's Discussion and Analysis

Acting in our capacity as the management of the Jupiter Community Redevelopment Agency (the "CRA"), we offer readers of the CRA's financial statements this narrative overview and analysis of the financial activities of the CRA for the fiscal year ended September 30, 2020.

### Financial Highlights

- The assets of the CRA exceeded its liabilities at the close of the most recent fiscal year by \$3,612,848 (*net position*).
- The CRA's total net position increased \$410,785. Substantially all of this increase is attributable to tax increment revenue in excess of redevelopment expenses due to the timing of CRA projects.
- As of the close of the current fiscal year, the CRA's General Fund reported an ending fund balance deficit of \$3,820,106, an increase of \$799,728. All of the fund balance deficit of \$3,820,106 is unassigned.
- The CRA's capital assets of \$7,842,364 increased by \$94,554 during the current fiscal year due to additions in excess of depreciation expense.

### Overview of the Financial Statements

This management discussion and analysis is intended to serve as an introduction to the CRA's basic financial statements. The basic financial statements of the CRA comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required 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 CRA's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the CRA's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CRA is improving or deteriorating.

The *statement of activities* presents information showing how the CRA'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.

The government-wide financial statements present functions of the CRA that are principally supported by tax increment revenues (*governmental activities*). The governmental activities of the CRA consist of general government expenditures. The CRA has no business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The government-wide financial statements can be found on pages 8 and 9 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 CRA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The CRA utilizes only one fund, the *General Fund*, which is classified as a *governmental* fund and accounts for all financial resources of the CRA.

**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, the 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 CRA’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between the *governmental fund* and *governmental activities*.

The basic governmental fund financial statements can be found on pages 10 and 11 of this report. The reconciliation between the governmental fund change in fund balance and the governmental activities change in net position can be found on page 12.

**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 13 to 21 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the CRA’s budget to actual results for the General Fund for the current year. The CRA adopts an annual appropriated budget for its General Fund, for which a budgetary comparison schedule has been provided on page 22 to demonstrate compliance with this budget.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the CRA, assets exceeded liabilities by \$3,612,848 at the close of the most recent fiscal year.

The CRA’s net position at September 30, 2020 and 2019 is summarized below:

#### Net Position September 30, 2020 and 2019

	2020	2019
<b>Assets</b>		
Current and other assets	\$ 2,384,481	\$ 2,616,323
Capital assets	7,842,364	7,747,810
Total assets	\$ 10,226,845	\$ 10,364,133
<b>Liabilities</b>		
Noncurrent liabilities	\$ 1,188,007	\$ 704,510
Other liabilities	5,425,990	6,457,560
Total liabilities	\$ 6,613,997	\$ 7,162,070
<b>Net position</b>		
Investment in capital assets	\$ 7,842,364	\$ 7,747,810
Unrestricted deficit	(4,229,516)	(4,545,747)
Total net position	\$ 3,612,848	\$ 3,202,063

The CRA's net position increased by \$410,785 during the current fiscal year, which primarily represents the degree to which tax increment revenues exceeded current year expenses.

**Governmental activities.** Governmental activities increased the CRA's net position by \$410,785. Key elements of this increase are as follows.

**Changes in Net Position  
Years Ended September 30, 2020 and 2019**

<b>Revenue</b>	<u>2020</u>	<u>2019</u>
Program revenue		
Charges for services	\$ 46,642	\$ 95,360
General revenue		
Tax increment revenue	2,252,406	2,115,981
Investment earnings	<u>7,610</u>	<u>28,910</u>
Total revenue	2,306,658	2,240,251
<b>Expenses</b>		
General government	1,723,701	1,291,272
Interest expense	<u>172,172</u>	<u>189,010</u>
Total expenses	<u>1,895,873</u>	<u>1,480,282</u>
Increase in net position	410,785	759,969
Net position - beginning of year	<u>3,202,063</u>	<u>2,442,094</u>
Net position - end of year	<u>\$ 3,612,848</u>	<u>\$ 3,202,063</u>

Tax increment revenues increased by approximately \$136,000 or 6.4% for the year. Property values in the CRA's development area increased by approximately \$19.2 million or 4% over 2019, accounting for the increase in tax increment revenue.

General government expenses increased approximately \$432,000 (33.5%) resulting from an increase in the use of Town staff and services.

**Financial Analysis of the Governmental Fund**

As noted earlier, the CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental fund.** The CRA has only one governmental fund, the General Fund. The focus of this *governmental fund* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the CRA's financing requirements. In particular, *unassigned fund balance* and *fund balance assigned for the subsequent year's budget* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the CRA's General Fund reported an ending fund balance deficit of \$3,820,106 an increase of \$799,728 for the year. All of the CRA's fund balance is unassigned.

The approximately \$800,000 increase in fund balance for the General Fund in 2020 was primarily related to an increase in tax increment revenues and reduced general government and capital outlay expenditures.

## General Fund Budgetary Highlights

During 2020, total revenues were under budget by approximately \$41,000 (excluding the General Fund carryforward of fund balance) as a result of shortfalls in charges for services. Overall, total expenditures were approximately \$1,572,000 less than the final budgeted appropriations for 2020 due to redevelopment projects not being completed by year end. There was an increase of approximately \$551,000 from the original budgeted expenditures to the final amended budget for the year, which was attributable primarily to anticipated redevelopment projects.

## Capital Asset and Debt Administration

**Capital assets.** The CRA's investment in capital assets as of September 30, 2020, amounts to \$7,842,364 (net of accumulated depreciation). This investment in capital assets includes land, improvements other than buildings, and infrastructure. The net increase in the CRA's investment in capital assets for the current fiscal year was \$94,554. Major capital asset transactions during 2020 consisted of capital outlay expenditures of \$189,021 net of depreciation of \$94,467. Capital assets at September 30, 2020 and 2019 are summarized as follows:

	2020	2019
Land	\$ 5,218,551	\$ 5,218,551
Improvements other than buildings	1,722,962	1,783,151
Infrastructure	<u>900,851</u>	<u>746,108</u>
Total capital assets	<u>\$ 7,842,364</u>	<u>\$ 7,747,810</u>

Additional information on the CRA's capital assets can be found in Note E to the audited financial statements.

**Noncurrent Liability.** The CRA does not have any debt obligations at September 30, 2020 and 2019. The noncurrent liability consists of a tax incentive rebate liability that will be payable in future years. See Note F to the audited financial statements.

## Economic Factors and Next Year's Budget

The following economic factors were considered in establishing the CRA's budget for the 2020/2021 fiscal year.

- The property valuations in the CRA district increased approximately \$4.7 million in 2021, which is an increase of approximately 0.98 percent over that of 2020. Overall property values compare favorably with those in other areas of Palm Beach County which continued to rise and are expected to increase modestly in future years.
- The Inlet Village within the CRA continues to experience redevelopment activity along its Riverwalk Corridor which will lead to future gains in surrounding property values.
- Inflationary and economic trends in the area compare favorably relative to national trends.

All of these factors were considered in preparing the CRA's budget for the 2020/2021 fiscal year.



## **Requests for Information**

This financial report is designed to provide a general overview of the CRA'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 Chief Financial Officer at 210 Military Trail, Jupiter, Florida, 33458.

## **BASIC FINANCIAL STATEMENTS**

JUPITER COMMUNITY REDEVELOPMENT AGENCY

STATEMENT OF NET POSITION

September 30, 2020

	Primary Government <u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 2,309,872
Accounts receivable	522
Note receivable	74,087
Capital assets, not being depreciated	
Land	5,218,551
Capital assets, net of accumulated depreciation	
Improvements other than buildings	1,722,962
Infrastructure	900,851
Total Assets	<u>10,226,845</u>
<b>LIABILITIES</b>	
Accounts payable	32,765
Advance due to the Town of Jupiter	5,272,987
Deposits	120,238
Noncurrent liabilities	
Due in more than one year	1,188,007
Total Liabilities	<u>6,613,997</u>
<b>NET POSITION</b>	
Investment in capital assets	7,842,364
Unrestricted deficit	<u>(4,229,516)</u>
Total Net Position	<u>\$ 3,612,848</u>

See notes to financial statements.

JUPITER COMMUNITY REDEVELOPMENT AGENCY

STATEMENT OF ACTIVITIES

Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenue		Net Revenue (Expenses) and Changes in Net Position
		Charges for Services	Operating Contributions and Grants	Primary Governmental Activities
<b>Primary Government</b>				
<b>Governmental activities</b>				
General government	\$ 1,723,701	\$ 46,642	\$ -	\$ (1,677,059)
Interest expense	<u>172,172</u>	<u>-</u>	<u>-</u>	<u>(172,172)</u>
Total Primary Government	<u>\$ 1,895,873</u>	<u>\$ 46,642</u>	<u>\$ -</u>	(1,849,231)
<b>General Revenue</b>				
				2,252,406
Tax increment revenue				<u>7,610</u>
Investment earnings				
Total General Revenue				<u>2,260,016</u>
Change in Net Position				410,785
Net position at October 1, 2019				<u>3,202,063</u>
Net position at September 30, 2020				<u>\$ 3,612,848</u>

See notes to financial statements.

JUPITER COMMUNITY REDEVELOPMENT AGENCY

BALANCE SHEET - GOVERNMENTAL FUND

September 30, 2020

	General Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,309,872
Accounts receivable, net	522
Notes receivable	74,087
	<hr/>
Total Assets	<u>\$ 2,384,481</u>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>	
<b>LIABILITIES</b>	
Accounts payable	\$ 32,765
Accrued items	704,510
Advance due to the Town of Jupiter	5,272,987
Deposits	120,238
	<hr/>
Total Liabilities	6,130,500
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenues	74,087
	<hr/>
<b>FUND BALANCE (DEFICIT)</b>	
Unassigned	(3,820,106)
	<hr/>
Total Fund Balance (Deficit)	(3,820,106)
<b>Amounts reported for governmental activities in the statement of net position are different because:</b>	
Long-term notes receivable are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the governmental funds	74,087
Capital assets used in governmental activities are not financial resources and are not reported in the General Fund	7,842,364
Long-term liabilities are not due and payable in the current period and are not reported in the general fund	<hr/> (483,497)
Net position of governmental activities	<u>\$ 3,612,848</u>

See notes to financial statements.

JUPITER COMMUNITY REDEVELOPMENT AGENCY  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - GOVERNMENTAL FUND

Year Ended September 30, 2020

		<u>General Fund</u>
<b>REVENUES</b>		
Tax increment revenue	\$	2,252,406
Charges for services		46,642
Investment earnings		7,610
Total Revenues		<u>2,306,658</u>
<b>EXPENDITURES</b>		
Current		
General government		1,145,737
Capital outlay		189,021
Debt service		
Interest		172,172
Total Expenditures		<u>1,506,930</u>
Net Change in Fund Balance		799,728
Fund Balance (Deficit) at October 1, 2019		<u>(4,619,834)</u>
Fund Balance (Deficit) at September 30, 2020	\$	<u><u>(3,820,106)</u></u>

See notes to financial statements.

JUPITER COMMUNITY REDEVELOPMENT AGENCY

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

Year Ended September 30, 2020

**Amounts reported for governmental activities in the  
statement of activities are different because:**

Net change in fund balance - governmental fund \$ 799,728

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

Expenditures for capital assets	\$ 189,021	
Current year depreciation	<u>(94,467)</u>	94,554

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

Tax increment incentive		<u>(483,497)</u>
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Change in net position of governmental activities	\$	<u><u>410,785</u></u>
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See notes to financial statements.

# JUPITER COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

September 30, 2020

### NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity: The Jupiter Community Redevelopment Agency (the "CRA") is a dependent special district established by the Town of Jupiter, Florida, (the "Town") under authority granted by Florida Statute 163, Section III. The purpose of the CRA is to promote and guide the physical and economic redevelopment 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 (the "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.

As defined by U.S. generally accepted accounting principles, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon the application of these criteria, the CRA was evaluated and determined to be a component unit of the Town of Jupiter, Florida. The governing board of the CRA consists of the Town Council and the tax increment financing received by the CRA is considered evidence of the Town's obligation to provide financial support to the CRA.

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 activities of the CRA. These statements include the *governmental activities* of the CRA, which are primarily supported by tax increment revenue. The CRA has no *business-type activities*. The Statement of Net Position presents the financial condition of the CRA, including all long-term assets and receivables as well as all long-term debt and obligations.

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. Tax increment revenue and other items not meeting the definition of program revenue are reported as *general revenue*. The CRA does not allocate indirect expenses.

Fund Financial Statements: The underlying accounting system of the CRA is organized and operated as a separate fund, which is considered to be a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows/outflows, fund equity, revenues and expenditures. 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 CRA utilizes only one fund, the *General Fund*, which is classified as a *governmental* fund and accounts for all financial resources of the CRA as follows:



JUPITER COMMUNITY REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Governmental Fund Financial Statements** – Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance for the General Fund. An accompanying schedule is presented to reconcile and explain the differences in fund balance and changes in fund balance as presented in these statements, to the net position and changes in net position presented in the government-wide financial statements.

Measurement Focus and Basis of Accounting: The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenue is recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Tax increment revenues are recognized as revenues in the year for which they are levied. Grants are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized in the period in which they become both measurable and available. Revenues are considered to be available when collectible within the current period or soon enough thereafter to pay liabilities of the current period. The CRA considers revenues to be available if 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. Tax increment revenues, intergovernmental revenues, 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 CRA.

Cash: Cash consists of amounts on deposit in an interest bearing account with a financial institution.

Accounts Receivable: Accounts receivable include charges for miscellaneous services. The CRA does not require collateral for such amounts. Accounts receivable are reported net of an allowance for doubtful accounts, if deemed necessary. No allowance was required as of September 30, 2020. Accounts receivable are written off on an individual basis in the year the Town deems them uncollectible.

Capital Assets: The CRA has reported all capital assets in the government-wide statement of net position. Capital assets are defined by the CRA as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded at cost or, if donated, acquisition value at the date of donation. Expenditures, which materially extend the useful life of existing assets, are capitalized. Certain costs for professional services associated with the acquisition and construction of capital assets have been capitalized. The cost of capital assets sold or retired is removed from the appropriate accounts and any resulting gain or loss is included in the change in net position. Depreciation is computed on all capital assets, except land, using the straight-line method over the assets' estimated useful lives. The estimated useful lives of improvements and infrastructure range from 25 to 60 years.

Capital outlay expenditures that are for construction, renovation or acquisition of capital assets that are in the name of the Town and for which the CRA does not have any operational responsibility or obligation for ongoing repair and maintenance are not capitalized. Such assets are transferred to the Town upon acquisition or upon completion of construction or renovation.

JUPITER COMMUNITY REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee and Related Benefit Costs: The CRA does not have any employees and therefore, does not have any related benefit costs. The CRA uses Town personnel to perform all operational activities and pays the Town an allocated fee for such services.

Deferred Outflows/Inflows of Resources: In addition to assets and liabilities, the government-wide Statement of Net Position and the governmental fund Balance Sheet may 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 (expenses/expenditures) until that time. 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 CRA has no amounts reported as deferred inflows/outflows of resources on the government-wide Statement of Net Position. The CRA's General Fund has one item, unavailable revenues, which is reported as a deferred inflow of resources on the General Fund balance sheet at September 30, 2020. The unavailable revenues result from a note receivable that will be received over a period of years in the future.

Net Position/Fund Balance: The government-wide financial statements utilize a net position presentation, while the governmental fund financial statements report fund balance.

**Net Position** - Net position of the government-wide financial statements is categorized as investment in capital assets, restricted or unrestricted. *Investment in capital assets* is that portion of net position that relates to the CRA's capital assets. There was no outstanding balance of long-term debt used to acquire the capital assets. *Restricted net position* is that portion of net position that has constraints placed on its use 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. The CRA had no restricted net position. *Unrestricted 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, the general fund reports fund balance classifications that comprise a hierarchy based primarily on the extent to which the CRA 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 balance includes 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 balance includes 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. The CRA had no restricted fund balance.

*Committed* - Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by the CRA's Board of Commissioners through a Board resolution. The CRA had no committed fund balance.

JUPITER COMMUNITY REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

*Assigned* - Assigned fund balance includes amounts that are constrained by the CRA's intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance are made by the CRA's executive director based upon direction by the CRA's Board of Commissioners or in the CRA's annual budget. The CRA had no assigned fund balance.

*Unassigned* - Unassigned fund balance includes amounts that have not been restricted, committed, or assigned to specific purposes within the general fund.

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

*Minimum Fund Balance Policy* - The CRA has not adopted a formal minimum fund balance policy. Generally, the CRA will strive to maintain sufficient general fund fund balance to provide liquidity in the event of a budget shortfall or natural disaster, once its advance from the General Fund is repaid.

Risk Management: The CRA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The CRA purchases commercial insurance through the Town for the risks of losses to which it is exposed. Policy limits and deductibles are reviewed annually by management and established at amounts to provide reasonable protection from significant financial loss. Settlements have not exceeded insurance coverage for any of the prior three fiscal years.

Implementation of GASB Statements: There were no new Governmental Accounting Standards Board (GASB) Statements were effective for the CRA for the fiscal year ended September 30, 2020:

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

- 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 CRA for the fiscal year ending September 30, 2021.
- 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 CRA for the fiscal year ending September 30, 2022.
- 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

JUPITER COMMUNITY REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

units. The requirements of this Statement will be effective for the CRA for the fiscal year ending September 30, 2021.

- 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 CRA for the fiscal year ending September 30, 2023.
- 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, 2021 and the remaining requirements will be effective for the CRA for the fiscal year ending September 30, 2022.
- GASB Statement No. 93, *Replacement of Interbank Offered Rates*, addresses the replacement of an Interbank Offered Rate (IBOR) with other reference interest rates and modifies the existing provisions for hedge accounting termination and lease modifications. The requirements of this Statement will be effective for the CRA for the fiscal year ending September 30, 2022.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, addresses issues related to public-private and public-public partnership (PPP) and provides guidance for accounting and financial reporting for availability payment arrangements (APA). This Statement provides specific guidance on the accounting and financial reporting for PPP and APA transactions. The requirements of this Statement will be effective for the CRA for the fiscal year ending September 30, 2023.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement will be effective for the CRA for the fiscal year ending September 30, 2023.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, addresses the reporting of fiduciary component units without a governing board, requires that the financial burden criteria of Statement No. 84 apply only to defined benefit plans and requires Statement No. 84 to be applied to all Section 457 plans to determine whether those plans should be reported as fiduciary activities. The requirements of this Statement will be effective for the CRA for the fiscal year ending September 30, 2022.

JUPITER COMMUNITY REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 at September 30, 2020, consists of deposits with a financial institution with a bank balance and book balance of \$2,309,872. The bank deposits were entirely covered by federal depository insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions that comply with the requirements of Florida Statutes and have been designated as a Qualified Public Depository by the State Treasurer. Qualified public depositories are required to pledge collateral to the State Treasurer with a fair value equal to a percentage of the average daily balance of all government deposits in excess of any federal deposit insurance. In the event of a default by a qualified public depository, the amount of public funds would be covered by the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. Accordingly, the CRA's deposits are considered fully insured or collateralized in accordance with the provisions of GASB Statements.

NOTE C - NOTE RECEIVABLE

During 2013, the CRA 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 CRA 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 CRA and the owner will receive a monthly credit of \$800 against the promissory note. The note receivable balance was \$74,087 at September 30, 2020.

NOTE D - ADVANCE DUE TO THE TOWN OF JUPITER

The Town's General Fund has advanced \$7,633,899 to the CRA for the purchase of property and the completion of public improvements within the boundaries of the CRA. The Town and the CRA have entered into an interlocal agreement for the repayment of these advances, with interest at 3.0%, through the year ending September 30, 2027. Annual repayments of the advances, including interest, range from approximately \$823,000 in 2021 to \$1.1 million in 2026, with a final payment of \$524,000 due in 2027, and the payments generally increase each year commensurate with the expected increases in the CRA's tax increment revenues resulting from the redevelopment activities. The outstanding advances payable to the General Fund totaled \$5,272,987 at September 30, 2020. Future principal payments on this advance are expected to be as follows:

JUPITER COMMUNITY REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE D - ADVANCE DUE TO THE TOWN OF JUPITER (Continued)

Year Ending September 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 671,077	\$ 152,190	\$ 823,267
2022	676,210	132,057	808,267
2023	681,496	111,771	793,267
2024	786,941	91,326	878,267
2025	892,549	67,718	960,267
2026	1,055,816	39,267	1,095,083
2027	<u>508,898</u>	<u>15,267</u>	<u>524,165</u>
	<u>\$ 5,272,987</u>	<u>\$ 609,596</u>	<u>\$ 5,882,583</u>

Interest expense paid to the General Fund during the year ended September 30, 2020 totaled \$172,172.

NOTE E - CAPITAL ASSETS

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

	Balance at Beginning of Year	Increases	Decreases	Balance at End of Year
<b>Capital assets not being depreciated</b>				
Land	\$ 5,218,551	\$ -	\$ -	\$ 5,218,551
Total capital assets not being depreciated	5,218,551	-	-	5,218,551
<b>Depreciable capital assets</b>				
Improvements other than buildings	2,146,561	-	-	2,146,561
Infrastructure	<u>762,434</u>	<u>189,021</u>	-	<u>951,455</u>
Total depreciable capital assets	2,908,995	189,021	-	3,098,016
Less accumulated depreciation	<u>(379,736)</u>	<u>(94,467)</u>	-	<u>(474,203)</u>
Depreciable capital assets, net of accumulated depreciation	<u>2,529,259</u>	<u>94,554</u>	-	<u>2,623,813</u>
Total capital assets	<u>\$ 7,747,810</u>	<u>\$ 94,554</u>	<u>\$ -</u>	<u>\$ 7,842,364</u>

Depreciation expense of \$94,467 was charged to general government in the governmental activities statement of activities.

JUPITER COMMUNITY REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE F - NONCURRENT LIABILITY

The change in the noncurrent liability for the year ended September 30, 2020, is as follows:

	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at End of Year</u>	<u>Amounts Due Within One Year</u>
Tax increment incentive	\$ 704,510	\$ 483,497	\$ -	\$ 1,188,007	\$ -

The tax increment incentive liability will be paid from CRA tax increment revenue.

NOTE G - FUND DEFICIT

The CRA had a deficit fund balance of \$3,820,106 at September 30, 2020. The majority of this amount represents a loan from the General Fund used to fund expenditures for property acquired in the CRA district. The loan will be paid from future tax increment revenues. In the event the future tax increment revenues are not sufficient, the Town plans to transfer funds from the General Fund to cover the deficit.

NOTE H - TAX INCREMENT REVENUES

Tax increment revenues are the primary source of revenue for the CRA. Tax increment revenue is collected from the two governmental entities that levy property taxes within the legally defined redevelopment area of the CRA, the Town and Palm Beach County. The tax increment revenue is calculated by applying the adopted millage rate of each governmental entity to the increase in current year taxable assessed valuations over the 2001 base year assessed valuations for all properties located within the CRA boundaries.

Each governmental entity is required to pay 95% of these incremental property taxes to the CRA. The increase in assessed valuations of property within the CRA boundaries over the 2001 base year valuations is presumed to be the result of the redevelopment efforts of the CRA. The tax base of the CRA is the layer of assessed valuations of properties over the 2001 base year assessed valuations, but does not include any portion of the base. The assessed value of properties subject to incremental property taxes for the year ended September 30, 2020, was as follows:

Assessed property value as of January 1, 2019	\$ 475,621,268
Assessed property value for 2001 base year	<u>(19,190,063)</u>
Assessed property value subject to incremental property tax	<u>\$ 456,431,205</u>

JUPITER COMMUNITY REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE I - RELATED PARTY TRANSACTIONS

For the year ended September 30, 2020, the CRA paid the Town \$915,491 for contractual and other services provided by the Town to the CRA in connection with various administrative and redevelopment activities.

In addition, the CRA received tax increment revenues from the Town's General Fund totaling \$765,860 for the year ended September 30, 2020.

NOTE J - COMMITMENT AND CONTINGENCY

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 CRA. Pursuant to State statutory authority for public-private partnerships to rehabilitate and develop properties within a Community Development Area, the 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 rebate liability at September 30, 2020 was \$1,188,007 which includes \$704,510 accrued by the CRA General Fund and an additional \$483,497 accrued as general long-term debt due to the anticipated long-term nature of the payments subject to pending litigation. The Town believes that Harbourside has defaulted on certain terms of its agreements and these accrued amounts remain unpaid due to current litigation between the CRA and the developer.

Coronavirus Pandemic: During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of the coronavirus (COVID-19). The pandemic significantly affected economic conditions in the U.S. as federal, state and local governments reacted to the public health crisis by ordering the temporary closures of schools, public facilities and non-essential businesses and organizations, and imposing travel restrictions. To date, the CRA has not been impacted by the pandemic. The duration of any business and economic disruptions, and the long-term impact on the CRA cannot presently be determined. It is at least reasonably possible that the effects of the pandemic on the Town could impact the CRA in future periods.



**REQUIRED SUPPLEMENTARY INFORMATION**

JUPITER COMMUNITY REDEVELOPMENT AGENCY

BUDGETARY COMPARISON SCHEDULE -  
COMMUNITY REDEVELOPMENT FUND - GAAP BASIS

For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Taxes	\$ 2,253,340	\$ 2,253,340	\$ 2,252,406	\$ (934)
Charges for services	93,342	93,342	46,642	(46,700)
Investment earnings	1,000	1,000	7,610	6,610
<b>Total Revenues</b>	<b>2,347,682</b>	<b>2,347,682</b>	<b>2,306,658</b>	<b>(41,024)</b>
<b>EXPENDITURES</b>				
General government	2,295,617	2,339,606	1,145,737	1,193,869
Capital outlay	60,000	566,963	189,021	377,942
Interest and fiscal charges	172,172	172,172	172,172	-
<b>Total Expenditures</b>	<b>2,527,789</b>	<b>3,078,741</b>	<b>1,506,930</b>	<b>1,571,811</b>
Revenues Over (Under) Expenditures	(180,107)	(731,059)	799,728	1,530,787
<b>OTHER FINANCING SOURCES</b>				
Appropriated fund balance	180,107	731,059	-	(731,059)
<b>Total Other Financing Sources</b>	<b>180,107</b>	<b>731,059</b>	<b>-</b>	<b>(731,059)</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 799,728</b>	<b>\$ 799,728</b>

See notes to budgetary comparison schedules.

JUPITER COMMUNITY REDEVELOPMENT AGENCY

NOTES TO BUDGETARY COMPARISON SCHEDULE

September 30, 2020

NOTE A - BUDGETARY ACCOUNTING

The CRA's adopted General Fund budget is prepared on the modified accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). The budget represents departmental appropriations as authorized by CRA ordinance. Expenditures may not legally exceed budgeted appropriations at the fund level. The Town Manager, acting in his capacity as Executive Director of the CRA, 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 Board of the CRA. Accordingly, the CRA's legal level of budgetary control is at the fund level.

For the fiscal year ended September 30, 2020, supplemental budget appropriations of \$550,952 were approved by the CRA Board 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. Encumbrances lapse at year end and become obligations of the subsequent year's budget. At September 30, 2020, the CRA had commitments related to unperformed contracts, which have been re-appropriated in the 2020-2021 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 CRA 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 CRA agree with that reported on the GAAP basis.

**COMPLIANCE REPORT AND  
MANAGEMENT LETTER**



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

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

To the Board of Commissioners  
Jupiter Community Redevelopment Agency  
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 *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the Jupiter Community Redevelopment Agency (CRA), a component unit of the Town of Jupiter, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Jupiter Community Redevelopment Agency's basic financial statements, and have issued our report thereon dated March 23, 2021.

**Internal Control Over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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

West Palm Beach, Florida  
March 23, 2021

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



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## Management Letter

To the Board of Commissioners  
Jupiter Community Redevelopment Agency  
Town of Jupiter, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Jupiter Community Redevelopment Agency (the "CRA"), a component unit of the Town of Jupiter, Florida, as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 23, 2021.

### **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 23, 2021, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

### **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.

### **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 CRA 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 CRA did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the CRA. It is management's responsibility to monitor the CRA'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 determined that the CRA provided the necessary information to the Town of Jupiter, Florida, for proper reporting within the audited financial statements of the Town 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, the CRA Board of Commissioners and management of the CRA, and the Town of Jupiter, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

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

West Palm Beach, Florida  
March 23, 2021





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Independent Accountant's Report on Investment Compliance

To the Board of Commissioners  
Jupiter Community Redevelopment Agency  
Jupiter, Florida

We have examined the Jupiter Community Redevelopment Agency's (the "CRA", a component unit of the Town of Jupiter, Florida) compliance with Section 218.415, Florida Statutes, as of and for the year ended September 30, 2020. Management of the CRA is responsible for the CRA's compliance with the specified requirements. Our responsibility is to express an opinion on the CRA'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 CRA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA 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 CRA's compliance with the specified requirements.

In our opinion, the CRA complied, in all material respects, with Section 218.415, Florida Statutes, as of and for the year ended September 30, 2020.

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 23, 2021



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Independent Accountant's Report on Redevelopment Trust Fund Compliance

To the Board of Commissioners  
Jupiter Community Redevelopment Agency  
Town of Jupiter, Florida

We have examined the Jupiter Community Redevelopment Agency's (the "CRA", a component unit of the Town of Jupiter, Florida) compliance with Sections 163.387(6) and (7), Florida Statutes, for the year ended September 30, 2020. Management of the CRA is responsible for the CRA's compliance with the specified requirements. Our responsibility is to express an opinion on the CRA'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 CRA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA 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 CRA's compliance with the specified requirements.

In our opinion, the CRA complied, in all material respects, with Sections 163.387(6) and (7), Florida Statutes, for the year ended September 30, 2020,

This report is intended to describe our testing of compliance with Sections 163.387(6) and (7), Florida Statutes, and is not suitable for any other purpose.

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

West Palm Beach, Florida  
March 23, 2021