

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE  
TOWN OF JUPITER, FLORIDA  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2021**



**Prepared By:  
Finance Department**

**Michael Villella, CPA  
Chief Financial Officer**

**Scott Reynolds  
Finance Director**

# TOWN OF JUPITER, FLORIDA

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## **INTRODUCTORY SECTION**

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March 29, 2022

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

The Annual Comprehensive Financial Report (ACFR) of the Town of Jupiter, Florida, (the “Town”) for the fiscal year ended September 30, 2021, 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, 2021 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 1<sup>st</sup>). 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 61,000 and the County is approximately 1.4 million. Projections show the County population growing at an estimated annual rate of .97 percent over the next 15 years, with corresponding increases in service businesses and light industry. The County's median family income is \$80,200 and the October 2021 unemployment rate was 3.7%.

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 local and national economy continue to strengthen, 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.

Covid-19: Covid-19 has negatively impacted global, national, state and local economies. The shut down and decline in statewide business activity which started in March of 2020 was a very unique circumstance when compared to other recessions that affected economies on a global scale. Unlike the most recent recession of 2008 triggered by the credit/housing crisis, most economists are calling the Covid-19 pandemic a "short term" recession. The recession caused by the pandemic predominantly effected only the Town's General Fund. Town revenues that experienced the most strain relating to the recession were State Shared Revenues, Sales Tax, Sales Surtax and revenues related to Recreation activity. Ad Valorem tax collections

which makes up 42% of the General Funds revenue continues to stay strong due to the Town's robust housing market and increases in sales activity. The impacts of the covid-19 recession to Town revenues which started in FY2020 lasted until the end of first quarter of fiscal year 2021 when revenues started to recover. The residual impacts relating to the pandemic are now on supply chain shortages of consumer goods. This shortage combined with upward demand has produced inflationary pressures across the globe. The Town is not isolated from these pressures and has been monitoring upward increases in construction costs for new construction projects along with increased prices and delivery delays for such things as replacement vehicles and chemicals to be used in the water treatment process.

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

- Reduce the size of government based on community needs.
- Aggressively seek affordable healthcare options to allow for sustained viability of the Town's employee health plan while working to reduce the Town's operating costs.
- Realign capital investments to better align with the strategic goals of the Town.
- Work with developers to foster redevelopment projects within the community to allow for a stable tax base.

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 through its neighborhood repaving program approximately \$4.9 million over the next five years.
- **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. In June of 2021 the Town Council authorized the purchase of 7 plus acres of conservation land under the Jupiter referendum for \$3,322,964.
- **Jupiter Community Park Renovation Project** - The Town Council has programmed in its FY21/22 Community Investment Budget \$5,093,500 to come from infrastructure surtax funds for the planned improvements at Jupiter Community Park. The park improvements will occur in stages

over the next three fiscal years and is anticipated to cost just over \$8 million in surtax funding. The project scope includes drainage improvements, athletic field lighting replacement with LED, area lighting replacement with LED, restroom and dugout rehabilitation, removal/replacement of deteriorated sidewalks, parking lot/street resurfacing, and rail fence replacement.

- **Indiantown Rd Western Corridor Improvements** - This project will provide safety and congestion improvements by providing additional lanes for traffic on eastbound and westbound Indiantown road from Central Boulevard through the southbound I-95 off ramp. This project is being funded with a blend of FDOT, road impact fees and general revenues.
- **New Town Hall** - Town Council established a high priority strategic initiative to address the Municipal Complex's deficiencies relative to withstanding hurricanes and providing proper security for residents and Town staff. The new building will be constructed to meet the Town's needs into the future. The overall project is estimated to cost approximately \$22 million and is currently funded through a blend of existing infrastructure surtax fund's, American Rescue Funds, general revenues and enterprise fund contributions.
- **Beach Renourishment** - In FY2021 the Town entered into an interlocal agreement with Palm Beach County for the funding beach renourishment projects in Jupiter over the next 30 years. PBC will maintain responsibility for the planning and execution of all beach renourishment projects, which are expected to occur about every 7 years and dune restoration which are expected to occur about every 15 years. Jupiter's portion of the project funding is 10% of the eligible costs after State and Federal funding.
- **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 a one-cent sales tax to assist in funding infrastructure improvements for the Palm Beach County School District, Palm Beach County and the Municipalities.

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

The funds are paid by the State Department of Revenue monthly which started in January 2017. Over the life of the adopted 10 year referendum, the Town's share of the collections is estimated to be approximately \$40,000,000.

To date the Town has utilized \$12.5 million in Infrastructure Sales Surtax funds to partially fund the construction of a new \$20 million Police and Data Center building on the Town campus. This project's completion provides the Town and its residents with a new police department headquarters and secured data center for storage and operation of the Town's critical software applications.

### **American Rescue Plan Act (ARPA) Funds**

On March 11, 2021, the President signed into law the American Rescue Plan Act, which among other items within the bill provides funding to state and local government agencies affected by the Covid-19 pandemic. The Town, according to estimates, will receive \$7,590,958 through the American Rescue Plan. On May 18, 2021 the Town received its first tranche of funds (\$3.7 million).

Only one project (Seminole Ave Stormwater Basin Improvement Project \$3.7 million) has received funding in FY2021. The remaining funds that will be received in FY 2022 will be discussed as part of the FY 2023 budgetary planning sessions of the Town Council.

## 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, 2020, 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 annual comprehensive 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,



Frank Kitzerow  
Town Manager



Michael Vilella, C.P.A.  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Jupiter  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

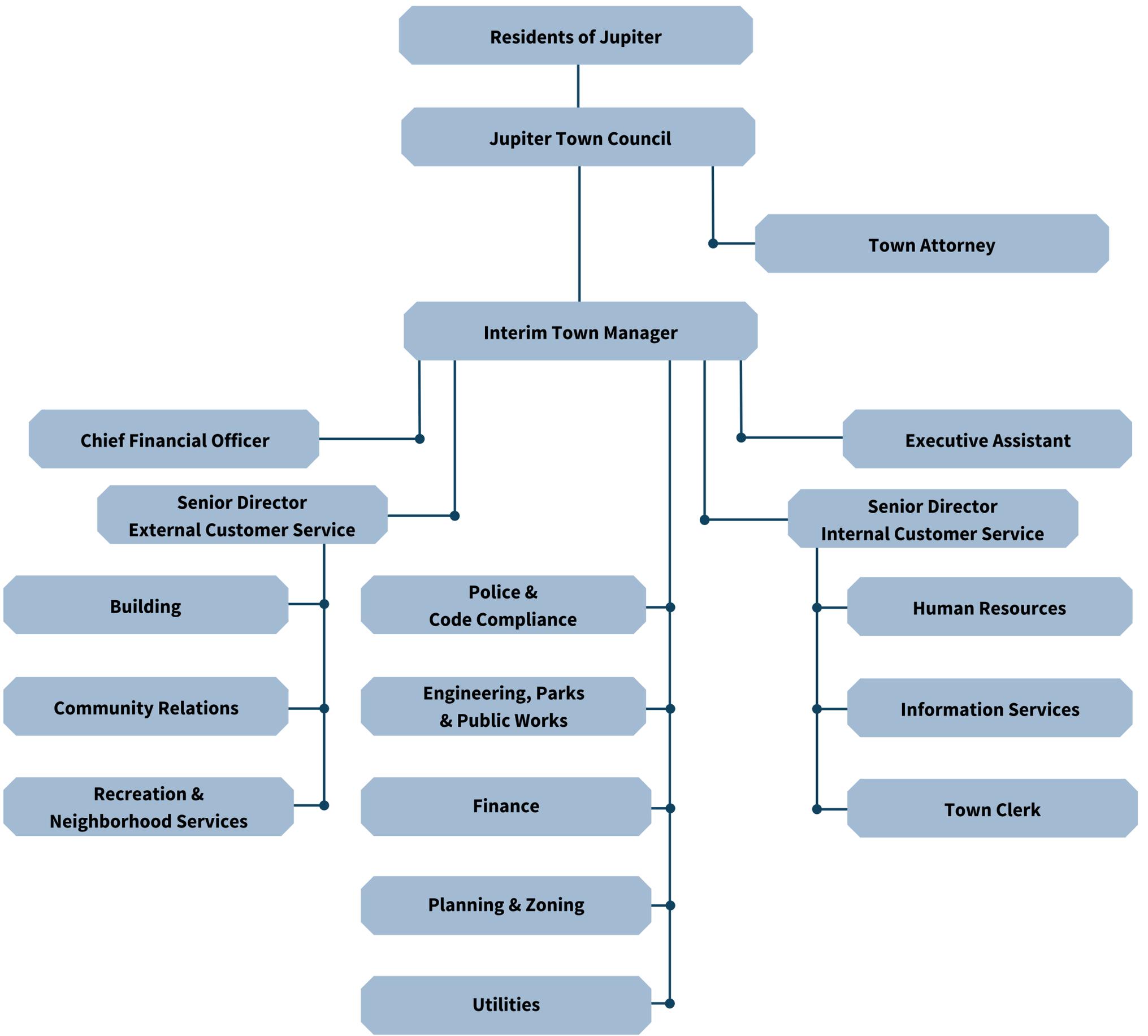
September 30, 2020

*Christopher P. Morill*

Executive Director/CEO

**TOWN OF JUPITER, FLORIDA  
LIST OF PRINCIPAL OFFICIALS  
SEPTEMBER 30, 2021**

Mayor	Todd R. Wodraska
Vice-mayor	Cameron May
Councilor	Ilan G. Kaufer
Councilor	Jim Kuretski
Councilor	Ron Delaney
Town Manager	Matt Benoit
Town Attorney	Thomas J. Baird
Town Clerk	Laura E. Cahill
Chief Financial Officer	Michael Villella, CPA
Senior Director, External Services	Kate Moretto
Police Chief	David E. England
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
Senior Director, Internal Services	Nikki Carpenito



# Town of Jupiter Organizational Chart



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**INDEPENDENT AUDITORS' REPORT**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, Members of the Town Council,  
Audit Committee and Town Manager  
**Town of Jupiter, Florida**

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

We have audited the accompanying 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 (the "Town"), as of and for the fiscal year ended September 30, 2021, 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 accounting principles generally accepted in the United States of America; 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.

### ***Auditors' 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 75%, 76% and 63%, respectively, of the assets, net position/fund balances, and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13, the budgetary comparison schedules on pages 92 to 98, the pension information on pages 99 to 104 and the other postemployment benefits information on page 105 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

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 auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining fund financial statements and the 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 29, 2022, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.

*Marcum LLP*

West Palm Beach, Florida  
March 29, 2022

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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# 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, 2021.

## 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 \$510,031,671 (*total net position*). Of this amount, approximately \$161,744,000 (*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 approximately \$28,125,000. Approximately 59% of this increase is attributable to governmental activities and 41% 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 \$90,365,774, an increase of \$12,389,529 from the prior year fund balance. Approximately 44% 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 \$51,333,641, or 90% of total General Fund expenditures for the current fiscal year.
- The Town's total debt (bonds and notes payable) decreased by approximately \$703,000 (3%) during the current fiscal year. The decrease was attributable to scheduled principal payments on the debt.
- The Town received its first tranche of \$3.7 million in American Rescue Plan Act (ARPA) Funds from the Department of Treasury and will receive the second tranche of funds in May of 2022. The Town according to estimates, will receive a total of \$7,590,958 in rescue funding.

## 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 14-16 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 eleven 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, American Rescue Plan 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 17-20 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 21-25 of this report.
- ***Fiduciary fund*** - 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 26-27 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 28-91 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 92-98 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 99-105.

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 106-109.

## 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 approximately \$510,031,000 at the close of the most recent fiscal year. The Town's net position at September 30, 2021 and 2020 is summarized as follows (in thousands):

	Summary of Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets</b>						
Current and other assets	\$ 107,636	\$ 88,326	\$ 129,075	\$ 119,354	\$ 236,711	\$ 207,680
Capital assets	130,211	128,777	218,381	218,156	348,592	346,933
<b>Total Assets</b>	<u>237,847</u>	<u>217,103</u>	<u>347,456</u>	<u>337,510</u>	<u>585,303</u>	<u>554,613</u>
<b>Deferred Outflows of Resources</b>	<u>5,071</u>	<u>6,110</u>	<u>1,651</u>	<u>2,721</u>	<u>6,722</u>	<u>8,831</u>
<b>Liabilities</b>						
Long-term liabilities outstanding	20,079	35,148	18,536	26,574	38,615	61,722
Other liabilities	11,887	9,714	6,252	4,860	18,139	14,574
<b>Total Liabilities</b>	<u>31,966</u>	<u>44,862</u>	<u>24,788</u>	<u>31,434</u>	<u>56,754</u>	<u>76,296</u>
<b>Deferred Inflows of Resources</b>	<u>20,586</u>	<u>4,531</u>	<u>4,654</u>	<u>710</u>	<u>25,240</u>	<u>5,241</u>
<b>Net Position</b>						
Net investment in capital assets	122,757	122,992	204,120	201,924	326,877	324,916
Restricted	21,410	11,681	--	--	21,410	11,681
Unrestricted	46,199	39,147	115,545	106,163	161,744	145,310
<b>Total Net Position</b>	<u>\$ 190,366</u>	<u>\$ 173,820</u>	<u>\$ 319,665</u>	<u>\$ 308,087</u>	<u>\$ 510,031</u>	<u>\$ 481,907</u>

The largest portion of the Town's net position (64%) 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 (\$161 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 \$28.1 million during 2021. Approximately 79% 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, 2021 and 2020 are summarized as follows (in thousands):

### Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Program Revenues</b>						
Charges for services	\$ 10,115	\$ 9,353	\$ 37,684	\$ 34,551	\$ 47,799	\$ 43,904
Operating grants and contributions	2,719	3,356	34	326	2,753	3,682
Capital grants and contributions	472	1,205	2,792	1,391	3,264	2,596
<b>General Revenues</b>						
Property taxes	31,944	30,708	--	--	31,944	30,708
Other taxes	24,283	22,621	--	--	24,283	22,621
Intergovernmental, unrestricted	2,224	1,865	329	--	2,553	1,865
Investment earnings and other income	178	1,388	--	1,147	178	2,535
<b>Total Revenues</b>	<u>71,935</u>	<u>70,496</u>	<u>40,839</u>	<u>37,415</u>	<u>112,774</u>	<u>107,911</u>
<b>Expenses</b>						
General government	20,812	20,603	--	--	20,812	20,603
Public safety	20,268	23,957	--	--	20,268	23,957
Engineering and public works	9,528	9,602	--	--	9,528	9,602
Culture/Recreation	4,212	3,801	--	--	4,212	3,801
Interest on debt	450	534	--	--	450	534
Water system	--	--	22,948	23,357	22,948	23,357
Stormwater	--	--	2,969	2,943	2,969	2,943
Building	--	--	3,464	4,545	3,464	4,545
<b>Total Expenses</b>	<u>55,270</u>	<u>58,497</u>	<u>29,381</u>	<u>30,845</u>	<u>84,651</u>	<u>89,342</u>
Change in net position before transfers	16,665	11,999	11,458	6,570	28,123	18,569
Transfers	(119)	(21)	119	21	--	--
<b>Change in Net Position</b>	16,546	11,978	11,578	6,591	28,124	18,569
<b>Net Position - Beginning</b>	<u>173,820</u>	<u>161,842</u>	<u>308,087</u>	<u>301,496</u>	<u>481,907</u>	<u>463,338</u>
<b>Net Position - Ending</b>	<u>\$ 190,366</u>	<u>\$ 173,820</u>	<u>\$ 319,665</u>	<u>\$ 308,087</u>	<u>\$ 510,031</u>	<u>\$ 481,907</u>

## Governmental Activities

Governmental activities increased the Town's net position by \$16,545,955, thereby accounting for 59% of the total growth in the net position of the Town. This increase is directly attributed to reductions in overall expenses as compared to revenue collections. When compared to the previous year revenues were approximately \$1.4 million more.

## Business-type Activities

Business-type activities increased the Town's net position by approximately \$11.6 million, thereby accounting for 41% 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 \$8,073,248 which was approximately \$1,745,290 higher than the prior year. The current year change in net position is attributable to operating revenues in excess of operating expenses of \$5,728,208, utility connection charges of \$2,404,493.
- The Stormwater Utility change in net position was \$1,228,376 which was approximately \$898,832 higher than the prior year. The current year change in net position is attributable to operating revenues in excess of operating expenses of \$869,483 and capital contributions of \$388,321.
- The Building department change in net position was \$2,277,359 which was \$2,344,709 higher than the prior year. The current year change in net position is attributable to operating revenues in excess of operating expenses of \$2,250,459 and investment earnings of \$29,490.

## 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 \$90,365,774, an increase of \$12,389,529 from the prior year. Approximately 53% of the total fund balance at September 30, 2021 (\$48,346,673) 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	\$4,731,203	5%
Restricted	16,729,770	19%
Assigned	20,558,128	23%

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 \$51,333,641, while total fund balance was \$57,018,208. 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 97% of total General Fund expenditures for 2021, while total fund

balance represents 108% of that same amount. The fund balance of the Town's General Fund increased by \$5,121,315 during the current fiscal year as compared to an increase of \$4,990,173 for the prior year. The key factors contributing to the current year increase is: increase in property taxes of \$1,032,000, an increase in sales tax review of \$1,570,000; expenditure decreases compared to budgetary estimates related to recreation type activity of \$1,237,000 and reductions in general government activities of \$1,267,000.

The Community Redevelopment Fund (CRA) had a fund balance deficit of \$2,986,573, substantially all of which is attributable to a liability to the General Fund and Capital Improvement Fund for advances to fund various construction projects and land acquisitions by the CRA. The General Fund and Capital Improvement 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 2021 of \$833,533 as compared to \$799,728 for the prior year. The key factors contributing to the change were a small increase in tax increment revenues (\$30,733), a decrease in capital outlay expenditures (\$95,000).

The Capital Improvements Fund has a total fund balance of \$21,551,139 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 \$1,440,245 as compared to the decrease of \$8,888,007 for the prior year, primarily as a result of a decrease in net transfers in of \$1,625,000 a decrease in capital outlay of approximately \$15,009,000, primarily attributed to the completion of the new police/Data Center.

### **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 \$88,680,951, \$7,815,885 and \$18,784,361, respectively. The total growth in net position of the Water System Fund, Stormwater Fund and Building Fund was \$8,073,248, \$1,228,376, and \$2,277,359, respectively. 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 \$4,876,882 in appropriations for 2021 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:

- \$1,357,457 was appropriated from fund balance for design and engineering for the Town's new Town Hall Project.

- \$3,308,791 was appropriated from the general fund reserves for the purchase of open space land that was replenished through debt service proceeds.

During the year, actual revenues were approximately \$1,841,740 more than budgetary estimates due primarily to increases in state shared and sales tax revenues of \$1,664,762 which were a direct result of the economic recovery from the recession triggered by the Covid-19 pandemic. Actual expenditures and other financing uses were under budget by approximately \$4,080,000 due to savings in various departments as follows: general government (\$1,793,000), public safety (\$785,000), engineering and public works (\$375,000) and culture and recreation (\$1,127,000).

## 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, 2021, amounts to approximately \$348,592 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, park facilities, easements, roads, highways and bridges, water plant facilities, water meters and transmission lines. The total increase in the Town's investment in capital assets for the current fiscal year was approximately \$1,658,519 or 1% (all of which came from governmental activities).

The Town's capital assets at September 30, 2021 and 2020 are summarized as follows:

<b>Capital Assets</b>						
(Amounts in Thousands, net of accumulated depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 48,363	\$ 45,054	\$ 569	\$ 569	\$ 48,932	\$ 45,623
Construction in progress	--	19,418	6,857	4,036	6,857	23,454
Buildings	23,887	5,272	60,858	63,365	84,745	68,637
Improvements	25,912	26,323	140,020	140,464	165,932	166,787
Machinery and equipment	2,539	3,111	10,077	9,722	12,616	12,833
Infrastructure	29,510	29,599	--	--	29,510	29,599
<b>Total</b>	<u>\$ 130,211</u>	<u>\$ 128,777</u>	<u>\$ 218,381</u>	<u>\$ 218,156</u>	<u>\$ 348,592</u>	<u>\$ 346,933</u>

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

- The construction of the Town’s new Police Department/Data Center.
- 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 and operations technology.
- 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 6 on pages 54-55 of this report.

**Outstanding debt.** At the end of the current fiscal year, the Town had total bonded debt and loans outstanding of \$22,023,000. Of this amount, \$7,886,000 is general obligation bonded debt. The remainder of the Town’s debt of \$14,137,000 represents bonds and notes secured solely by the net revenues of the Enterprise Funds. The Town’s total debt decreased by approximately \$703,000 or 3% during the current fiscal year, due to the retirement of maturing debt. The Town’s outstanding debt at September 30, 2021 and 2020 is summarized as follows:

	<b>Outstanding Debt</b>					
	General Obligation and Revenue Bonds / Note					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation note	\$ 7,886	\$ 6,320	\$ --	\$ --	\$ 7,886	\$ 6,320
Sales tax revenue bonds	--	--	--	--	--	--
Water system revenue bonds / note	--	--	14,137	16,406	14,137	16,406
<b>Total</b>	<u>\$ 7,886</u>	<u>\$ 6,320</u>	<u>\$ 14,137</u>	<u>\$ 16,406</u>	<u>\$ 22,023</u>	<u>\$ 22,726</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 \$1.7 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 7 on pages 56-62 of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Town's 2022 General Fund budget is approximately \$55.7 million, or an increase of approximately \$1 million from the original budget adopted for 2021. The following factors were considered in preparing the Town's budget for the 2022 fiscal year.

- Increases in property values and the overall stable housing market will continue to have a positive impact on ad-valorem tax revenues in FY 2022.
- Increases in state shared and sales tax revenues due to the easing of recessionary pressures caused by the COVID-19 pandemic.
- Stabilizing the size of the organization.
- Funding used for investment in infrastructure that supports the needs of the community.

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 Chief Financial Officer at 210 Military Trail, Jupiter, Florida 33458.

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## **BASIC FINANCIAL STATEMENTS**

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**TOWN OF JUPITER, FLORIDA**

**STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2021**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 46,319,276	\$ 62,532,026	\$ 108,851,302
Investments	52,076,656	60,823,198	112,899,854
Accounts receivable, net	1,901,900	1,319,411	3,221,311
Grants receivable	88,023	--	88,023
Interest receivable	25,165	33,234	58,399
Inventory	14,003	542,073	556,076
Prepaid expenses	4,117	14,399	18,516
Restricted assets			
Restricted cash and cash equivalents	500,723	--	500,723
Restricted investments	1,848,970	--	1,848,970
Notes receivable	175,660	--	175,660
Noncurrent receivables	--	3,810,903	3,810,903
Capital assets, not being depreciated			
Land	48,362,544	569,123	48,931,667
Construction in progress	--	6,856,960	6,856,960
Capital assets, net of accumulated depreciation			
Buildings and plant	23,886,712	60,857,679	84,744,391
Improvements	25,912,730	140,020,032	165,932,762
Machinery and equipment	2,539,439	10,076,715	12,616,154
Infrastructure	29,510,007	--	29,510,007
Net pension asset	4,680,795	--	4,680,795
<b>Total Assets</b>	<u>237,846,720</u>	<u>347,455,753</u>	<u>585,302,473</u>
<b>Deferred Outflows of Resources</b>			
Deferred charges on refundings	--	140,300	140,300
Deferred amount related to OPEB	50,271	14,097	64,368
Deferred amount related to pensions	5,021,156	1,497,138	6,518,294
<b>Total Deferred Outflows of Resources</b>	<u>\$ 5,071,427</u>	<u>\$ 1,651,535</u>	<u>\$ 6,722,962</u>

(Continued)

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

# TOWN OF JUPITER, FLORIDA

## STATEMENT OF NET POSITION (CONTINUED)

SEPTEMBER 30, 2021

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Accounts payable and retainage payable	\$ 2,766,825	\$ 2,607,842	\$ 5,374,667
Accrued liabilities	1,510,661	439,827	1,950,488
Deposits	3,749,983	1,650,397	5,400,380
Unearned revenue	3,859,966	1,553,712	5,413,678
Noncurrent liabilities			
Due within one year			
Compensated absences	259,000	125,000	384,000
Bonds and notes	1,960,641	--	1,960,641
Due in more than one year			
Tax increment incentive	1,379,403	--	1,379,403
Compensated absences	3,445,758	860,254	4,306,012
Bonds and notes	5,925,217	14,136,500	20,061,717
Total OPEB liability	930,462	260,911	1,191,373
Net pension liability	6,178,141	3,152,989	9,331,130
<b>Total Liabilities</b>	<u>31,966,057</u>	<u>24,787,432</u>	<u>56,753,489</u>
<b>Deferred Inflows of Resources</b>			
Deferred amount related to OPEB	1,573,602	441,253	2,014,855
Deferred amount related to pensions	19,012,323	4,213,097	23,225,420
<b>Total Deferred Inflows of Resources</b>	<u>20,585,925</u>	<u>4,654,350</u>	<u>25,240,275</u>
<b>Net Position</b>			
Net investment in capital assets	122,756,875	204,119,930	326,876,805
Restricted for:			
Debt retirement	549,434	--	549,434
Capital projects	14,038,683	--	14,038,683
Law enforcement	292,683	--	292,683
Economic development	1,848,970	--	1,848,970
Net pension asset	4,680,795	--	4,680,795
Unrestricted	46,198,725	115,545,576	161,744,301
<b>Total Net Position</b>	<u>\$ 190,366,165</u>	<u>\$ 319,665,506</u>	<u>\$ 510,031,671</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, 2021**

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities</b>							
General government	\$20,812,119	\$ 3,637,331	\$ 1,784,967	\$ 204,325	\$ (15,185,496)	\$ --	\$ (15,185,496)
Public safety	20,268,334	265,262	80,609	140,785	(19,781,678)	--	(19,781,678)
Engineering and public works	9,528,337	5,610,775	853,569	22,517	(3,041,476)	--	(3,041,476)
Culture and recreation	4,211,506	601,476	--	104,222	(3,505,808)	--	(3,505,808)
Interest on long-term debt	450,368	--	--	--	(450,368)	--	(450,368)
<b>Total Governmental Activities</b>	<u>55,270,664</u>	<u>10,114,844</u>	<u>2,719,145</u>	<u>471,849</u>	<u>(41,964,826)</u>	<u>--</u>	<u>(41,964,826)</u>
<b>Business-type Activities</b>							
Water system	22,947,236	28,253,897	33,832	2,404,493	--	7,744,986	7,744,986
Stormwater	2,969,055	3,714,856	--	388,321	--	1,134,122	1,134,122
Building	3,464,327	5,714,786	--	--	--	2,250,459	2,250,459
<b>Total Business-type Activities</b>	<u>29,380,618</u>	<u>37,683,539</u>	<u>33,832</u>	<u>2,792,814</u>	<u>--</u>	<u>11,129,567</u>	<u>11,129,567</u>
<b>Total</b>	<u>\$84,651,282</u>	<u>\$ 47,798,383</u>	<u>\$ 2,752,977</u>	<u>\$ 3,264,663</u>	<u>(41,964,826)</u>	<u>11,129,567</u>	<u>(30,835,259)</u>
<b>General Revenues</b>							
Taxes							
Property taxes					31,944,223	--	31,944,223
Franchise fees					4,833,111	--	4,833,111
Public service taxes					5,187,400	--	5,187,400
Communications services taxes					2,509,229	--	2,509,229
Sales taxes					10,267,047	--	10,267,047
Gas taxes					1,297,878	--	1,297,878
Impact Fees					189,170		189,170
Intergovernmental not restricted to specific programs					2,224,134	329,916	2,554,050
Investment earnings					266,966	--	266,966
Loss on disposal of capital assets					(88,877)	--	(88,877)
Transfers					(119,500)	119,500	--
<b>Total General Revenues and Transfers</b>					<u>58,510,781</u>	<u>449,416</u>	<u>58,960,197</u>
<b>Change in Net Position</b>					16,545,955	11,578,983	28,124,938
<b>Net Position - Beginning</b>					<u>173,820,210</u>	<u>308,086,523</u>	<u>481,906,733</u>
<b>Net Position - Ending</b>					<u>\$ 190,366,165</u>	<u>\$319,665,50</u>	<u>\$ 510,031,671</u>

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

**TOWN OF JUPITER, FLORIDA**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2021**

	Major Governmental Funds				Nonmajor Governmental Funds	Total Government Funds
	General Fund	Community Redevelopment Fund	American Rescue Plan Fund	Capital Improvements Fund		
<b>Assets</b>						
Cash and cash equivalents	\$ 20,771,327	\$ 2,433,315	\$ 3,795,479	\$ 5,531,109	\$ 13,788,046	\$ 46,319,276
Investments	32,641,152	--	--	18,441,579	993,925	52,076,656
Accounts receivable, net	1,895,521	5,350	--	--	1,029	1,901,900
Grants receivable	12,873	--	--	75,150	--	88,023
Interest receivable	25,165	--	--	--	--	25,165
Advances from other funds	3,608,899	--	--	993,011	--	4,601,910
Inventory	14,003	--	--	--	--	14,003
Prepaid items	3,722	395	--	--	--	4,117
Restricted cash	--	--	--	500,723	--	500,723
Restricted investments	1,848,970	--	--	--	--	1,848,970
Notes receivable	111,173	64,487	--	--	--	175,660
<b>Total Assets</b>	<u>\$ 60,932,805</u>	<u>\$ 2,503,547</u>	<u>\$ 3,795,479</u>	<u>\$ 25,541,572</u>	<u>\$ 14,783,000</u>	<u>\$ 107,556,403</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</b>						
<b>Liabilities</b>						
Accounts payable and retainage payable	\$ 2,008,053	\$ 9,213	\$ --	\$ 746,334	\$ --	\$ 2,763,600
Accrued liabilities	1,510,660	704,510	--	--	--	2,215,170
Advances to other funds	--	4,601,910	--	--	--	4,601,910
Deposits	395,884	110,000	--	3,244,099	--	3,749,983
<b>Total Liabilities</b>	<u>3,914,597</u>	<u>5,425,633</u>	<u>--</u>	<u>3,990,433</u>	<u>--</u>	<u>13,330,663</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenues	--	64,487	3,795,479	--	--	3,859,966
<b>Fund Balances (Deficit)</b>						
Nonspendable:						
Inventory	14,003	--	--	--	--	14,003
Prepaid items	3,722	395	--	--	--	4,117
Advance due from other fund	3,608,899	--	--	993,011	--	4,601,910
Notes receivable	111,173	--	--	--	--	111,173
Restricted for:						
Debt service	--	--	--	--	549,434	549,434
Capital projects	--	--	--	--	14,038,683	14,038,683
Law enforcement	97,800	--	--	--	194,883	292,683
Economic development	1,848,970	--	--	--	--	1,848,970
Assigned to:						
Capital projects	--	--	--	20,558,128	--	20,558,128
Unassigned:						
General Fund	51,333,641	--	--	--	--	51,333,641
Special Revenue Fund deficit	--	(2,986,968)	--	--	--	(2,986,968)
<b>Total Fund Balances (Deficit)</b>	<u>57,018,208</u>	<u>(2,986,573)</u>	<u>--</u>	<u>21,551,139</u>	<u>14,783,000</u>	<u>90,365,774</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</b>	<u>\$ 60,932,805</u>	<u>\$ 2,503,547</u>	<u>\$ 3,795,479</u>	<u>\$ 25,541,572</u>	<u>\$ 14,783,000</u>	<u>\$ 107,556,403</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, 2021**

<b>Total Governmental Fund Balances</b>		\$	90,365,774
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.			130,211,432
Accrued interest on bonds payable is not due and payable in the current period and, therefore, is not reported in the funds.			(3,226)
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 other postemployment benefits	\$	50,271	
Deferred outflows related to pensions		5,021,156	
Deferred inflows related to other postemployment benefits		(1,573,602)	
Deferred inflows related to pensions		<u>(19,012,323)</u>	
Net adjustment			(15,514,498)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:			
Compensated absences		(3,704,758)	
Bonds and notes payable		(7,885,858)	
Tax increment incentive		(674,893)	
Other postemployment benefits liability		(930,462)	
Net pension asset		4,680,795	
Net pension liability		<u>(6,178,141)</u>	
Net adjustment			<u>(14,693,317)</u>
<b>Total Net Position</b>		<b>\$</b>	<b><u>190,366,165</u></b>

*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, 2021**

	Major Governmental Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Community Redevelopment Fund	American Rescue Plan Fund	Capital Improvements Fund		
<b>Revenues</b>						
Taxes	\$ 33,024,347	\$ 1,506,192	\$ --	\$ 4,238,841	\$ 2,169,350	\$ 40,938,730
Franchise fees	4,833,111	--	--	--	--	4,833,111
Licenses and permits	573,134	--	--	--	189,170	762,304
Intergovernmental	8,630,454	--	--	209,348	4,896,568	13,736,370
Charges for services	8,835,385	86,632	--	--	--	8,922,017
Fines and forfeitures	452,487	--	--	--	--	452,487
Investment earnings	212,617	1,011	--	51,755	1,583	266,966
Donations	750	--	--	1,344,186	--	1,344,936
Miscellaneous	323,107	10,368	--	170,369	264,231	768,075
<b>Total Revenues</b>	<u>56,885,392</u>	<u>1,604,203</u>	<u>--</u>	<u>6,014,499</u>	<u>7,520,902</u>	<u>72,024,996</u>
<b>Expenditures</b>						
Current:						
General government	16,496,707	1,301,780	--	197,620	--	17,996,107
Public safety	23,727,884	--	--	--	19,167	23,747,051
Engineering and public works	7,612,957	--	--	953,228	--	8,566,185
Culture and recreation	1,865,658	--	--	1,355,107	--	3,220,765
Capital outlay	3,308,755	93,647	--	3,693,440	--	7,095,842
Debt service:						
Principal	--	--	--	--	6,320,000	6,320,000
Interest and fiscal	--	152,190	--	--	329,181	481,371
<b>Total Expenditures</b>	<u>53,011,961</u>	<u>1,547,617</u>	<u>--</u>	<u>6,199,395</u>	<u>6,668,348</u>	<u>67,427,321</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>3,873,431</u>	<u>56,586</u>	<u>--</u>	<u>(184,896)</u>	<u>852,554</u>	<u>4,597,675</u>
<b>Other Financing Sources (Uses)</b>						
Proceeds from sale of capital assets	73,497	--	--	--	--	73,497
Other debt service costs	(48,001)	--	--	--	--	(48,001)
Debt issuance	3,380,000	--	--	--	4,505,858	7,885,858
Transfers in	--	776,947	--	1,744,641	23,208	2,544,796
Transfers out	(2,157,612)	--	--	(119,500)	(387,184)	(2,664,296)
<b>Total Other Financing Sources (Uses)</b>	<u>1,247,884</u>	<u>776,947</u>	<u>--</u>	<u>1,625,141</u>	<u>4,141,882</u>	<u>7,791,854</u>
<b>Net Change in Fund Balances</b>	5,121,315	833,533	--	1,440,245	4,994,436	12,389,529
<b>Fund Balances (Deficit) - Beginning</b>	<u>51,896,893</u>	<u>(3,820,106)</u>	<u>--</u>	<u>20,110,894</u>	<u>9,788,564</u>	<u>77,976,245</u>
<b>Fund Balances (Deficit) - Ending</b>	<u>\$ 57,018,208</u>	<u>\$ (2,986,573)</u>	<u>\$ --</u>	<u>\$ 21,551,139</u>	<u>\$ 14,783,000</u>	<u>\$ 90,365,774</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, 2021**

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**Net Change in Fund Balance - Total Governmental Funds** \$ 12,389,529

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	\$ 7,095,842	
Depreciation expense	<u>(5,546,893)</u>	
Net adjustment		1,548,949

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. (114,373)

Payment of accrued interest is an expenditure in the Governmental funds, but is a reduction of accrued liabilities in the statement of net position. 65,006

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:

Issuance of Bonds	(7,885,858)	
Debt retirement - principal paid	6,320,000	
Amortization of debt discount	<u>(34,003)</u>	
Net adjustment		(1,599,861)

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	222,300	
Tax increment incentive	(191,396)	
Other postemployment benefits liability	175,477	
Pension expense	<u>4,050,324</u>	
Net adjustment		<u>4,256,705</u>

**Change in Net Position of Governmental Activities** \$ 16,545,955

*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, 2021**

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 40,632,539	\$ 12,051,137	\$ 9,848,350	\$ 62,532,026
Investments	48,099,586	1,527,786	11,195,826	60,823,198
Accounts receivable, net	1,167,969	151,442	--	1,319,411
Interest receivable	33,234	--	--	33,234
Inventory	542,073	--	--	542,073
Prepaid expenses	13,923	--	476	14,399
<b>Total Current Assets</b>	<u>90,489,324</u>	<u>13,730,365</u>	<u>21,044,652</u>	<u>125,264,341</u>
<b>Noncurrent Assets</b>				
Noncurrent receivables	3,810,903	--	--	3,810,903
Advance due from other fund	5,047,536	--	--	5,047,536
<b>Capital assets</b>				
Land and improvements	458,616	110,507	--	569,123
Construction in progress	6,360,179	496,781	--	6,856,960
Water treatment systems	98,308,306	--	--	98,308,306
Buildings and improvements	9,192,703	60,683,586	--	69,876,289
Water distribution systems	149,863,754	--	--	149,863,754
Wells	28,308,480	--	--	28,308,480
Equipment and pumps	12,353,045	790,562	674,712	13,818,319
Meters	20,283,355	--	--	20,283,355
	<u>325,128,438</u>	<u>62,081,436</u>	<u>674,712</u>	<u>387,884,586</u>
Less accumulated depreciation	<u>(149,151,977)</u>	<u>(19,797,026)</u>	<u>(555,074)</u>	<u>(169,504,077)</u>
<b>Total Capital Assets, Net</b>	175,976,461	42,284,410	119,638	218,380,509
<b>Total Noncurrent Assets</b>	<u>184,834,900</u>	<u>42,284,410</u>	<u>119,638</u>	<u>227,238,948</u>
<b>Total Assets</b>	<u>275,324,224</u>	<u>56,014,775</u>	<u>21,164,290</u>	<u>352,503,289</u>
<b>Deferred Outflows of Resources</b>				
Deferred charges on refundings	140,300	--	--	140,300
Deferred amount related to OPEB	9,243	1,204	3,650	14,097
Deferred amount related to pensions	966,339	120,958	409,841	1,497,138
<b>Total Deferred Outflows of Resources</b>	<u>\$ 1,115,882</u>	<u>\$ 122,162</u>	<u>\$ 413,491</u>	<u>\$ 1,651,535</u>

(Continued)

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

**TOWN OF JUPITER, FLORIDA**

**STATEMENT OF NET POSITION - ENTERPRISE FUNDS (CONTINUED)**

**SEPTEMBER 30, 2021**

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
<b>Liabilities</b>				
Current Liabilities				
Accounts payable and retainage payable	\$ 2,348,984	\$ 152,719	\$ 106,139	\$ 2,607,842
Accrued liabilities	294,761	37,591	107,475	439,827
Compensated absences payable	81,668	15,254	28,078	125,000
Current maturities on loans and bonds	--	--	--	--
<b>Total Current Liabilities</b>	<u>2,725,413</u>	<u>205,564</u>	<u>241,692</u>	<u>3,172,669</u>
Noncurrent Liabilities				
Customer deposits	1,580,095	--	--	1,580,095
Other deposits	6,226	23,479	40,597	70,302
Unearned revenue	1,553,712	--	--	1,553,712
Compensated absences payable, net of current portion	562,041	104,977	193,236	860,254
Advance due to other fund	--	5,047,536	--	5,047,536
Revenue bonds payable	14,136,500	--	--	14,136,500
Total OPEB liability	171,081	22,279	67,551	260,911
Net pension liability	<u>2,035,119</u>	<u>254,740</u>	<u>863,130</u>	<u>3,152,989</u>
<b>Total Noncurrent Liabilities</b>	<u>20,044,774</u>	<u>5,453,011</u>	<u>1,164,514</u>	<u>26,662,299</u>
<b>Total Liabilities</b>	<u>22,770,187</u>	<u>5,658,575</u>	<u>1,406,206</u>	<u>29,834,968</u>
<b>Deferred Inflows of Resources</b>				
Deferred amount related to OPEB	289,333	37,678	114,242	441,253
Deferred amount related to pensions	<u>2,719,374</u>	<u>340,389</u>	<u>1,153,334</u>	<u>4,213,097</u>
<b>Total Deferred Inflows of Resources</b>	<u>3,008,707</u>	<u>378,067</u>	<u>1,267,576</u>	<u>4,654,350</u>
<b>Net Position</b>				
Net investment in capital assets	161,715,882	42,284,410	119,638	204,119,930
Unrestricted	<u>88,945,330</u>	<u>7,815,885</u>	<u>18,784,361</u>	<u>115,545,576</u>
<b>Total Net Position</b>	<u>\$250,661,212</u>	<u>\$ 50,100,295</u>	<u>\$ 18,903,999</u>	<u>\$ 319,665,506</u>

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

**TOWN OF JUPITER, FLORIDA**

**STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
ENTERPRISE FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
<b>Operating Revenues</b>				
Charges for services	\$ 27,845,808	\$ 3,428,375	\$ --	\$ 31,274,183
Licenses and permits	--	--	5,714,136	5,714,136
Other fees and charges	407,910	286,481	650	695,041
<b>Total Operating Revenues</b>	<u>28,253,718</u>	<u>3,714,856</u>	<u>5,714,786</u>	<u>37,683,360</u>
<b>Operating Expenses</b>				
Personal services	5,433,744	743,522	2,033,556	8,210,822
General operating expenses	10,474,146	1,190,893	1,399,654	13,064,693
Depreciation	6,617,620	910,958	31,117	7,559,695
<b>Total Operating Expenses</b>	<u>22,525,510</u>	<u>2,845,373</u>	<u>3,464,327</u>	<u>28,835,210</u>
<b>Operating Income</b>	<u>5,728,208</u>	<u>869,483</u>	<u>2,250,459</u>	<u>8,848,150</u>
<b>Nonoperating Revenues (Expenses)</b>				
Intergovernmental	33,832	--	--	33,832
Investment earnings	408,563	2,432	(2,590)	408,405
Miscellaneous revenues	179	--	--	179
Net change in fair value of investments	(104,801)	(3,178)	29,490	(78,489)
Gain (loss) on sale of capital assets	10,000	--	--	10,000
Interest expense	(398,699)	(123,682)	--	(522,381)
Amortization expense	(33,027)	--	--	(33,027)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(83,953)</u>	<u>(124,428)</u>	<u>26,900</u>	<u>(181,481)</u>
<b>Income Before Capital Contributions and Transfers</b>	5,644,255	745,055	2,277,359	8,666,669
<b>Capital Contributions Transfers</b>	2,404,493	388,321	--	2,792,814
	<u>24,500</u>	<u>95,000</u>	<u>--</u>	<u>119,500</u>
<b>Change in Net Position</b>	8,073,248	1,228,376	2,277,359	11,578,983
<b>Net Position - Beginning</b>	<u>242,587,964</u>	<u>48,871,919</u>	<u>16,626,640</u>	<u>308,086,523</u>
<b>Net Position - Ending</b>	<u>\$250,661,212</u>	<u>\$50,100,295</u>	<u>\$18,903,999</u>	<u>\$319,665,506</u>

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

**TOWN OF JUPITER, FLORIDA**  
**STATEMENT OF CASH FLOWS - ENTERPRISE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
<b>Cash Flows From Operating Activities</b>				
Cash received from customers	\$ 27,965,815	\$ 3,482,398	\$ 5,722,635	\$ 37,170,848
Cash paid to suppliers and contractors	(9,355,067)	(1,191,421)	(1,315,737)	(11,862,225)
Cash paid to employees	(5,796,621)	(786,699)	(2,397,541)	(8,980,861)
Cash received from others	408,089	286,481	650	695,220
<b>Net Cash Provided By Operating Activities</b>	<u>13,222,216</u>	<u>1,790,759</u>	<u>2,010,007</u>	<u>17,022,982</u>
<b>Cash Flows From Noncapital Financing Activities</b>				
Operating grants received	33,832	--	--	33,832
Transfers	24,500	95,000	--	119,500
<b>Net Cash Provided By Noncapital Financing Activities</b>	<u>58,332</u>	<u>95,000</u>	<u>--</u>	<u>153,332</u>
<b>Cash Flows From Capital And Related Financing Activities</b>				
Capital contributions	2,056,730	--	--	2,056,730
Acquisition and construction of capital assets	(6,105,594)	(789,034)	(23,569)	(6,918,197)
Repayment of advance from other fund	329,941	(329,941)	--	--
Principal paid on revenue bonds	(2,269,000)	--	--	(2,269,000)
Interest and other debt service charges	(398,699)	(123,682)	--	(522,381)
<b>Net Cash Used In Capital and Related Financing Activities</b>	<u>(6,386,622)</u>	<u>(1,242,657)</u>	<u>(23,569)</u>	<u>(7,652,848)</u>
<b>Cash Flows From Investing Activities</b>				
Purchases of investments	(3,675,275)	--	(601,706)	(4,276,981)
Proceeds from sale/maturity of investments	--	(1,112,205)	--	(1,112,205)
Interest received	408,574	2,432	(2,590)	408,416
Purchases of investments	--	--	--	--
<b>Net Cash Used In Investing Activities</b>	<u>(3,266,701)</u>	<u>(1,109,773)</u>	<u>(604,296)</u>	<u>(4,980,770)</u>
<b>Net Increase (decrease) in Cash and Cash Equivalents</b>	3,627,225	(466,671)	1,382,142	4,542,696
<b>Cash and Cash Equivalents - Beginning</b>	<u>37,005,314</u>	<u>12,517,808</u>	<u>8,466,208</u>	<u>57,989,330</u>
<b>Cash and Cash Equivalents - Ending</b>	<u>\$ 40,632,539</u>	<u>\$ 12,051,137</u>	<u>\$ 9,848,350</u>	<u>\$ 62,532,026</u>

(Continued)

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

**TOWN OF JUPITER, FLORIDA**

**STATEMENT OF CASH FLOWS - ENTERPRISE FUND (CONTINUED)**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
<b>Noncash Financing and Investing Activities</b>				
Capital contributions	\$ 467,118	\$ 388,321	\$ --	\$ 855,439
Change in fair value of investments	\$ (104,801)	\$ (3,178)	\$ 29,490	\$ (78,489)
Amortization of deferred charge on refunding	\$ 33,027	\$ --	\$ --	\$ 33,027
<b>Reconciliation of Operating Income to Net Cash Provided By Operating Activities</b>				
Operating income	\$ 5,728,208	\$ 869,483	\$ 2,250,459	\$ 8,848,150
Adjustments to reconcile operating income to net cash provided by operating activities				
operating activities				
Depreciation	6,617,620	910,958	31,117	7,559,695
Provision for doubtful accounts	(31,748)	(2,545)	--	(34,293)
Miscellaneous revenues	179	--	--	179
Changes in operating assets, liabilities and deferred inflows and outflows				
(Increase) decrease in:				
Accounts receivable	113,624	56,568	--	170,192
Inventory	(58,736)	--	--	(58,736)
Prepaid expenses	(423)	--	41,879	41,456
Deferred outflows related to OPEB	932	174	706	1,812
Deferred outflows related to pensions	621,507	78,711	333,982	1,034,200
Increase (decrease) in:				
Accounts payable	1,178,238	(528)	42,038	1,219,748
Accrued expenses	25,851	(84)	(6,542)	19,225
Compensated absences	(58,612)	3,255	(21,131)	(76,488)
Deposits	17,860	--	8,499	26,359
Unearned revenue	20,271	--	--	20,271
OPEB liability	(9,021)	(2,114)	(9,545)	(20,680)
Net pension liability (asset)	(3,500,862)	(441,401)	(1,730,188)	(5,672,451)
Deferred inflows related to OPEB	(22,818)	(4,599)	(19,380)	(46,797)
Deferred inflows related to pensions	2,580,146	322,881	1,088,113	3,991,140
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 13,222,216</b>	<b>\$ 1,790,759</b>	<b>\$ 2,010,007</b>	<b>\$ 17,022,982</b>

*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, 2021**

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	<u>Municipal Police Officers' Retirement Trust Fund</u>
<b>Assets</b>	
Investments	
Money market mutual funds	2,457,696
Certificates of deposit	1,202,352
U.S. Government securities	8,616,545
U.S. Government Agency securities	5,863,257
Corporate obligations	9,144,693
Asset-backed bonds	1,460,404
Equity securities	14,346,110
Equity mutual funds	38,922,096
Real estate investment trust index funds	3,987,363
Commingled real estate funds	5,455,372
International equity mutual funds	<u>16,566,735</u>
<b>Total Investments</b>	108,022,623
Receivables	
Employee contributions	37,414
Town contributions	665,353
Accrued investment income	94,705
Pending trades receivable	64,324
Other receivables	<u>9,649</u>
<b>Total Receivables</b>	871,445
<b>Total Assets</b>	108,894,068
<b>Liabilities</b>	
Accounts payable and accrued expenses	67,627
Pending trades payable	<u>533,799</u>
<b>Total Liabilities</b>	<u>601,426</u>
<b>Net Position</b>	
Restricted for pension benefits	<u><u>\$ 108,292,642</u></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, 2021**

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	<u>Municipal Police Officers' Retirement Trust Fund</u>
<b>Additions</b>	
<b>Contributions</b>	
Town	\$ 2,661,412
State	787,636
Employee	<u>1,050,767</u>
<b>Total Contributions</b>	<u>4,499,815</u>
<b>Investment Earnings</b>	
Net appreciation in fair value of investments	15,992,434
Interest and dividends	<u>2,360,028</u>
<b>Total Investment Income</b>	18,352,462
Less Investment Expenses	<u>(318,158)</u>
<b>Net investment earnings</b>	18,034,304
Other income	<u>5,351</u>
<b>Total Additions</b>	22,539,470
<b>Deductions</b>	
Pension benefits	3,110,647
DROP distributions	1,262,104
Share distributions	60,854
Administrative expenses	<u>139,996</u>
<b>Total Deductions</b>	4,573,601
<b>Change in Net Position</b>	17,965,869
<b>Net Position Restricted for Pension Benefits - Beginning</b>	<u>90,326,773</u>
<b>Net Position Restricted for Pension Benefits - Ending</b>	<u>\$ 108,292,642</u>

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

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**NOTES TO FINANCIAL STATEMENTS**

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# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – 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.

#### *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 audited financial statements are prepared for the CRA and can be obtained from the Town.

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *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 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.).

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *FUND FINANCIAL STATEMENTS*

The underlying accounting system of the Town is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, 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 *American Rescue Plan Fund* accounts for the revenues and expenditures associated with the Coronavirus State and Local Fiscal Recovery Funds established by the American Rescue Plan Act ("ARPA").

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

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *FUND FINANCIAL STATEMENTS (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 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. Grants and similar items are recognized as revenue as soon as all-purpose restrictions imposed by the provider have been met.

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)*

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. Property taxes are recognized as revenue in the year for which they are levied. 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 when due 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.

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 (asset), 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 other postemployment benefits ("OPEB") benefit payments for the Town's OPEB plan are recognized when due and payable in accordance with the benefit terms.

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *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, 2021.

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 1.9135 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 ended September 30, 2021, 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 \$29,389,983 for 2021, representing 3.2% increase over the property tax levy for 2020. 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

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – 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, Florida Cooperative Liquid Assets Securities System ("FLCLASS") and Florida Local Government Investment Trust ("FLTRUST") (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 uncollectible accounts determined based on the age of the individual receivable, with age categories ranging from 21 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.

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *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.

#### *INVENTORY*

Inventory recorded in the General Fund represents fuel and oil and inventory in the Water System Fund represent parts, materials and supplies in storage at year end. Inventory is valued at cost (first-in/first-out) which approximates fair value and are recorded under the consumption method which records inventory 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.

#### *RESTRICTED ASSETS*

Certain cash equivalents and investments of the General Fund and Capital Improvements Fund are restricted for land acquisition and economic development. Restricted resources are used first to fund expenditures incurred for restricted purposes.

**TOWN OF JUPITER, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***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.

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *COMPENSATED ABSENCES*

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

#### *NONCURRENT OBLIGATIONS*

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

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *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 OPEB and 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 OPEB and 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 OPEB and pension plans, 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 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 revenue, 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 revenue 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.

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *NET POSITION/FUND BALANCE*

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

#### *Net Investment in Capital Assets*

This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and retainage payable. 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.

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *NET POSITION/FUND BALANCE (CONTINUED)*

##### *Fund Balance (continued)*

###### 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, which have equal authority and are the highest level of decision making authority. 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 Chief Financial Officer 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 balance to be spent when an expenditure is incurred for the restricted purpose. The Town considers committed, assigned or unassigned fund balance to be spent when an expenditure is incurred for purposes for which amounts in any of those fund balance classifications could be used.

##### *Minimum Fund Balance Policy*

The Town Council has not adopted a formal minimum fund balance policy. Generally, the Town strives to maintain sufficient General Fund 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 \$787,636 received by the Town from the State of Florida for the benefit of the MPORT for the year ended September 30, 2021, 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.

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *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*

During the year ended September 30, 2021, the Town implemented GASB Statement No. 84, *Fiduciary Activities*, Statement No. 90, *Majority Equity Interests*, Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* and GASB Statement No. 98, *The Annual Comprehensive Financial Report*.

#### *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, liabilities, and deferred inflows/outflows, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures. Actual results could vary from the estimates that were used.

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS

At September 30, 2021, the Town's cash and cash equivalents included petty cash of \$7,625, deposits in demand deposit accounts of \$109,332,515, and a depository cash account with a securities broker of \$11,885. The demand deposit accounts of \$109,332,515 are held by financial institutions that comply with the requirements of Florida Statutes and have been designated as a qualified public depository by the State Treasurer of Florida. Qualified public depositories are required to pledge collateral to the State Treasurer with a fair value equal to a percentage of the average daily balance of all government deposits in excess of any federal deposit insurance. In the event of a default by a qualified public depository, all claims for government deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. Accordingly, all deposits with qualified public depositories are considered fully insured or collateralized in accordance with the provisions of GASB Statements. The deposits in the ICS account are fully insured by the FDIC, but are not held in qualified public depositories.

The Town's depository cash account of \$11,885 and the MPORT's money market mutual fund of \$2,457,696, 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.

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.

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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### NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

The 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, 2021 are summarized as follows:

	Town	Fiduciary Fund Pension Trust	Total
Florida PRIME	\$ 42,284,687	\$ --	\$ 42,284,687
Certificates of deposit (\$1,848,970 pledged - Note 14)	1,848,970	1,202,352	3,051,322
Money market mutual funds	--	2,457,696	2,457,696
Florida intergovernmental investment pool			
(FLCLASS)	10,967,255	--	10,967,255
(FLTRUST)	21,290,075	--	21,290,075
U.S. Government securities	3,094,219	8,616,545	11,710,764
U.S. Government Agency securities	5,069,940	5,863,257	10,933,197
Corporate obligations	--	9,144,693	9,144,693
Asset-backed bonds	4,101	1,460,404	1,464,505
Equity securities	--	14,346,110	14,346,110
Equity mutual funds	30,189,577	38,922,096	69,111,673
REIT index funds	--	3,987,363	3,987,363
Commingled real estate funds	--	5,455,372	5,455,372
International equity mutual funds	--	16,566,735	16,566,735
<b>Total Investments</b>	<b>\$ 114,748,824</b>	<b>\$ 108,022,623</b>	<b>\$ 222,771,447</b>

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

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

	Town	Fiduciary Fund Pension Trust	Total
<b>Reported in the financial statements as:</b>			
Cash and cash equivalents	\$ 108,861,302	\$ --	\$ 108,861,302
Restricted cash and cash equivalents	<u>500,723</u>	<u>--</u>	<u>500,723</u>
<b>Total cash and cash equivalents</b>	109,362,025	--	109,362,025
Investments	112,899,854	108,022,623	220,922,477
Restricted investments	<u>1,848,970</u>	<u>--</u>	<u>1,848,970</u>
<b>Total Investments</b>	<u>114,748,824</u>	<u>108,022,623</u>	<u>222,771,447</u>
<b>Total Cash, Cash Equivalents and Investments</b>	<u>\$ 224,110,849</u>	<u>\$ 108,022,623</u>	<u>\$ 332,133,472</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 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.

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

The Florida intergovernmental investment pool consists of FLCLASS and FLTRUST. FLCLASS and FLTRUST are 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 and FLTRUST are operated in a manner consistent with SEC Rule 2a7 of the Investment Company Act of 1940. The fair value of the position in FLCLASS and FLTRUST are considered to be the same as the Town's account balance (amortized cost) in the pool. The Town may withdraw funds from FLCLASS and FLTRUST on an overnight basis, generally without limitation or imposition of fees.

#### *FAIR VALUE OF INVESTMENTS*

The Town follows the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, which establishes a framework for measuring the fair value of investments in a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described below:

#### *Level 1*

Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Town has the ability to access at the measurement date.

#### *Level 2*

Inputs to the valuation methodology include the following:

- Quoted prices for similar assets in active markets.
- Quoted prices for identical or similar assets in inactive markets.
- Inputs other than quoted prices that are observable for the assets.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

#### *FAIR VALUE OF INVESTMENTS (CONTINUED)*

##### *Level 3*

Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the Town's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques would typically include discounted cash flow models and similar techniques, but may also include the use of market prices of assets that are not directly comparable to the subject asset.

The fair value measurement of an asset within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The categorization of an investment within the fair value hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Town's perceived risk of that investment.

#### *Valuation Methodologies*

The following valuation methods and assumptions were used by the Town and MPORT in estimating the fair value of financial instruments that are measured at fair value on a recurring basis under GASB Statement No. 72:

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

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

*U.S. Government and U.S. Government Agency securities, negotiable certificates of deposit, tax-exempt state and local debt securities, corporate obligations, 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.

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

#### *FAIR VALUE OF INVESTMENTS (CONTINUED)*

##### *Valuation Methodologies (continued)*

*Investments measured at net asset value (“NAV”)*: The commingled real estate funds are valued at the unadjusted NAV per share, calculated at September 30, 2021 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, 2021. 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 the 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, 2021.

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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### NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

#### *FAIR VALUE OF INVESTMENTS (CONTINUED)*

##### *Fair Value of Investments*

The financial assets measured at fair value on a recurring basis include the Town's investments. There were no liabilities measured at fair value on a recurring basis at September 30, 2021. The Town's investments at September 30, 2021 is summarized as follows:

	Level 1	Level 2	Level 3	Total
<b>Debt Investments</b>				
U.S. Government securities	\$ 8,616,545	\$ 3,094,219	\$ --	\$ 11,710,764
U.S. Government Agencies	--	10,933,197	--	10,933,197
Negotiable certificates of deposit	1,202,352	--	--	1,202,352
Corporate Obligations	--	9,144,693	--	9,144,693
Asset-backed bonds	--	1,464,505	--	1,464,505
		--		
<b>Total Debt Securities</b>	9,818,897	24,636,614	--	34,455,511
<b>Equity Investments</b>				
Equity securities	14,346,110	--	--	14,346,110
Equity mutual funds	69,111,673	--	--	69,111,673
REIT index funds	3,987,363	--	--	3,987,363
International equity mutual funds	16,566,735	--	--	16,566,735
<b>Total Equity Securities</b>	104,011,881	--	--	104,011,881
<b>Total Investments at Fair Value</b>	\$ 113,830,778	\$ 24,636,614	\$ --	138,467,392
<b>Investment Measured at NAV</b>				
Commingled real estate funds				5,455,372
<b>Investments measured at amortized cost</b>				
Florida PRIME				42,284,687
Florida intergovernmental investment pools				
FLTRUST				21,290,075
FLCLASS				10,967,255
Certificates of deposit				4,294,782
Money market mutual funds				11,884
<b>Total Investments</b>				\$ 222,771,447

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

#### *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, 2021, all Town investments were held in custodial safekeeping accounts in the name of the Town or MPORT.

#### *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 \$16,566,735 invested in U.S. dollar denominated international equity mutual funds and \$196,038 in foreign bonds at September 30, 2021.

#### *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, 2021, Florida PRIME had a weighted average maturity of 64 days, FLCLASS had a weighted average maturity of 60 days, FLTRUST as a weighted average maturity of 1.7 years 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, 2021.

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

### NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

#### *INTEREST RATE RISK (CONTINUED)*

	Fair Value of Investment Maturities			
	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
<b>Pension Fund Investments</b>				
U.S. Government securities	\$ --	\$ 4,488,119	\$ 2,715,486	\$ 1,412,940
U.S. Government Agency securities	--	197,234	258,202	5,407,821
Negotiable certificates of deposit	--	1,202,352	--	--
Corporate obligations	35,716	2,108,008	2,776,616	4,028,315
Foreign Bonds	--	196,038	--	--
Asset-backed bonds	7,597	1,027,135	107,493	318,179
<b>Total</b>	<u>\$ 43,313</u>	<u>\$ 9,218,886</u>	<u>\$ 5,857,797</u>	<u>\$ 11,167,255</u>

#### *CREDIT RISK*

Credit risk is the risk that a debt issuer will not fulfill its obligations. The Town’s investment policy requires that investments in debt securities, Florida PRIME and money market mutual funds be rated in one of the top two investment grades by a Nationally Recognized Statistical Rating Organization (“NRSRO”) and the MPORT requires an investment grade rating (BBB or higher) by an NRSRO when purchased. The MPORT utilizes ratings from Standard and Poor’s and Moody’s Investor Services for investments. Florida PRIME, FLCLASS, FLTRUST 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, 2021, are summarized as follows:

Investment Type	NRSRO Rating	Fair Value
<b>Pension Fund Investments</b>		
U.S. Government securities	AA+	\$ 8,616,545
U.S. Government Agency securities	AA+	5,863,257
Negotiable certificates of deposit	AA+	1,202,352
Corporate obligations	AAA- BBB+	9,144,693
Asset-backed bonds	AAA - BA	<u>1,460,404</u>
<b>Total</b>		<u>\$ 26,287,251</u>

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 2 – 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.

**TOWN OF JUPITER, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 3 - ACCOUNTS RECEIVABLE**

Accounts receivable and allowance for uncollectible accounts at September 30, 2021 consist of the following:

	Gross Accounts Receivable	Allowance For Doubtful Accounts	Net Receivable
<b>Governmental Activities / Funds</b>			
General Fund - Accounts	\$ 1,900,658	\$ (5,137)	\$ 1,895,521
General Fund - Intergovernmental	1,029	--	1,029
Community Redevelopment Fund	<u>5,350</u>	<u>--</u>	<u>5,350</u>
<b>Total Governmental Activities / Funds</b>	1,907,037	(5,137)	1,901,900
<b>Business-type Activities / Enterprise Funds</b>			
Water System Fund - Utility accounts	1,189,471	(21,502)	1,167,969
Stormwater Fund - Utility accounts	<u>153,288</u>	<u>(1,846)</u>	<u>151,442</u>
<b>Total Business-type Activities / Enterprise Funds</b>	<u>1,342,759</u>	<u>(23,348)</u>	<u>1,319,411</u>
	<u>\$ 3,249,796</u>	<u>\$ (28,485)</u>	<u>\$ 3,221,311</u>

Noncurrent receivables in the Proprietary Funds of \$3,810,903 have no allowance for uncollectible accounts at September 30, 2021.

**NOTE 4 – NOTES RECEIVABLE**

The Town had the following notes receivable at September 30, 2021:

General Fund - Economic Development Loan	\$ 111,173
Community Redevelopment Fund - Land sale	<u>64,487</u>
<b>Total Notes Receivable</b>	<u>\$ 175,660</u>

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 4 - NOTES RECEIVABLE (CONTINUED)

#### *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, 2021, 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 \$64,487 at September 30, 2021.

### NOTE 5 - ADVANCES DUE FROM/TO OTHER FUNDS

#### *ADVANCES DUE FROM CRA*

The Town's General Fund and Capital Improvements Fund have advanced funds to the 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 and Capital Improvements Fund by the CRA, with interest at 3.0%, through the year ending September 30, 2027. The repayment of the advances ranges from approximately \$808,000 in 2022 to \$1.1 million in 2026, with a final payment of \$524,000 due 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 payable to the General Fund and Capital Improvements Fund totaled \$3,608,899 and \$993,011, respectively, at September 30, 2021 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

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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### NOTE 5 - ADVANCES DUE FROM/TO OTHER FUNDS (CONTINUED)

#### *ADVANCE DUE FROM STORMWATER FUND*

In 2020, the Town's Water System Fund advanced funds in the amount of \$5.7 million to the Stormwater Fund to be used for various capital improvement projects. The inter-fund loan agreement provides for the repayment of these advances to the Water System Fund by the Stormwater Fund, with interest at 2.3%, through the year ending September 30, 2034. Repayment of the advance will be made in annual payments of approximately \$454,000, including principal and interest. The outstanding advance payable to the Water System Fund was \$5,047,536 at September 30, 2021.

### NOTE 6 – CAPITAL ASSETS

The Town's capital asset activity for the year ended September 30, 2021 is summarized as follows:

	Beginning Balances	Additions	Deletions	Reclassifications	Ending Balances
<b>Governmental Activities</b>					
Capital Assets Not Being Depreciated					
Land	\$ 45,053,753	\$ 3,308,791	\$ --	\$ --	\$ 48,362,544
Construction in progress	19,418,217	--	--	(19,418,217)	--
Total Capital Assets Not Being Depreciated	<u>64,471,970</u>	<u>3,308,791</u>	<u>--</u>	<u>(19,418,217)</u>	<u>48,362,544</u>
Capital Assets Being Depreciated					
Buildings	22,460,892	928,966	--	18,835,556	42,225,414
Improvements	52,548,245	1,181,680	--	61,024	53,790,949
Machinery and equipment	12,191,202	358,257	(342,841)	--	12,206,618
Infrastructure	53,590,877	1,318,148	--	521,637	55,430,662
Total Capital Assets Being Depreciated	<u>140,791,216</u>	<u>3,787,051</u>	<u>(342,841)</u>	<u>19,418,217</u>	<u>163,653,643</u>
Less: Accumulated Depreciation for					
Buildings	(17,189,320)	(1,149,382)	--	--	(18,338,702)
Improvements	(26,225,489)	(1,652,730)	--	--	(27,878,219)
Machinery and equipment	(9,080,129)	(815,518)	228,468	--	(9,667,179)
Infrastructure	(23,991,393)	(1,929,262)	--	--	(25,920,655)
Total Accumulated Depreciation	<u>(76,486,331)</u>	<u>(5,546,892)</u>	<u>228,468</u>	<u>--</u>	<u>(81,804,755)</u>
Depreciable capital assets, net of accumulated depreciation	<u>64,304,885</u>	<u>(1,759,841)</u>	<u>(114,373)</u>	<u>19,418,217</u>	<u>81,848,888</u>
<b>Total Capital Assets, Net</b>	<u>\$ 128,776,855</u>	<u>\$ 1,548,950</u>	<u>\$ (114,373)</u>	<u>\$ --</u>	<u>\$ 130,211,432</u>

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED SEPTEMBER 30, 2021

#### NOTE 6 – CAPITAL ASSETS (CONTINUED)

Depreciation expense charged to governmental activities for the year ended September 30, 2021 was as follows:

General Government	\$	3,261,180
Public safety		129,640
Engineering and public works		1,116,017
Culture and recreation		<u>1,040,056</u>
<b>Total Governmental Activities</b>		
<b>Depreciation Expense</b>	<b>\$</b>	<b><u>5,546,892</u></b>

	Beginning		Additions		Deletions		Reclassifications		Ending
	Balances								Balances
<b>Business-Type Activities</b>									
Capital Assets Not Being Depreciated									
Land	\$ 569,123	\$	--	\$	--	\$	--	\$	569,123
Construction in progress	<u>4,035,942</u>		<u>4,046,194</u>		<u>(1,225,176)</u>		--		<u>6,856,960</u>
Total Capital Assets Not Being Depreciated	<u>4,605,065</u>		<u>4,046,194</u>		<u>(1,225,176)</u>		--		<u>7,426,083</u>
Capital Assets Being Depreciated									
Building and plant	105,442,866		558,706		--		--		106,001,572
Improvements	238,447,751		2,714,214		(806,707)		--		240,355,258
Machinery and equipment	<u>32,913,344</u>		<u>1,689,697</u>		<u>(501,369)</u>		--		<u>34,101,672</u>
Total Capital Assets Being Depreciated	<u>376,803,961</u>		<u>4,962,617</u>		<u>(1,308,076)</u>		--		<u>380,458,502</u>
Less: Accumulated Depreciation for									
Buildings and plant	(42,077,653)		(3,066,240)		--		--		(45,143,893)
Improvements	(97,983,580)		(3,158,353)		806,707		--		(100,335,226)
Machinery and equipment	<u>(23,191,225)</u>		<u>(1,335,101)</u>		<u>501,369</u>		--		<u>(24,024,957)</u>
Total Accumulated Depreciation	<u>(163,252,458)</u>		<u>(7,559,694)</u>		<u>1,308,076</u>		--		<u>(169,504,076)</u>
Depreciable capital assets, net of accumulated depreciation	<u>213,551,503</u>		<u>(2,597,077)</u>		--		--		<u>210,954,426</u>
<b>Total Capital Assets, Net</b>	<b><u>\$ 218,156,568</u></b>		<b><u>\$ 1,449,117</u></b>		<b><u>\$ (1,225,176)</u></b>		<b><u>\$ --</u></b>		<b><u>\$ 218,380,509</u></b>

**TOWN OF JUPITER, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 7 – NONCURRENT LIABILITIES**

***GOVERNMENTAL ACTIVITIES***

Changes in governmental activities noncurrent liabilities for the year ended September 30, 2021 are summarized as follows:

	Beginning Balances	Additions	Deletions	Ending Balances	Due Within One Year
Governmental Obligation Bonds					
Series 2001	\$ 865,000	\$ --	\$ 865,000	\$ --	\$ --
Series 2005	5,455,000	--	5,455,000	--	--
Series 2021 (Refunding Bonds)	--	4,505,858	--	4,505,858	1,120,316
Series 2021 (Land Acquisition Debt)	--	3,380,000	--	3,380,000	840,325
Tax increment incentive	1,188,007	191,396	--	1,379,403	--
Compensated absences	3,927,058	69,409	291,709	3,704,758	259,000
<b>Total Long-Term Debt</b>	11,435,065	<u>\$ 8,146,663</u>	<u>\$ 6,611,709</u>	12,970,019	<u>\$ 2,219,641</u>
Current maturities	(2,114,000)			2,219,641	
Unamortized bond discount	<u>(34,003)</u>			<u>--</u>	
<b>Totals</b>	<u>\$ 9,287,062</u>			<u>\$ 10,750,378</u>	

The debt service for the General Obligation Bonds is payable from ad valorem taxes. Compensated absences, pension liabilities 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. The Town has pledged the proceeds of ad valorem tax revenue to secure payment of principal and interest. The bonds were paid in full on July 1, 2021.

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED SEPTEMBER 30, 2021

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#### NOTE 7 – 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. On September 1, 2021, the Town issued General Obligation Refunding Bonds, Series 2021 issued to advance refund the Series 2005 General Obligation Bonds with an outstanding balance of \$4,450,000. The Series 2005 bonds was advance refunded and considered paid as of September 1, 2021.

##### ***GENERAL OBLIGATION BONDS (REFUNDING BONDS) - SERIES 2021***

In September 2021, the Town issued \$4,505,858 in General Obligation Bonds (Refunding Bonds), Series 2021 to advance refund the Series 2005 General Obligation Bonds. The Series 2021 GO Refunding Bonds have an interest rate of 0.73%. The bonds require semiannual payments of interest starting January 1, 2022 and four annual payments of principal and interest commencing July 1, 2022 through maturity on July 1, 2025. The net cash flow savings was \$169,761.

The debt service requirements of the General Obligation Bonds (Refunding Bonds) – Series 2021 are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,120,316	\$ 27,441	\$ 1,147,757
2023	1,124,405	24,714	1,149,119
2024	1,128,509	16,506	1,145,015
2025	<u>1,132,628</u>	<u>8,268</u>	<u>1,140,896</u>
<b>Total</b>	<u>\$ 4,505,858</u>	<u>\$ 76,929</u>	<u>\$ 4,582,787</u>

**TOWN OF JUPITER, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 7 – NONCURRENT LIABILITIES (CONTINUED)**

***GENERAL OBLIGATION BONDS (LAND ACQUISITION BONDS) - SERIES 2021***

In September 2021, the Town issued \$3,380,000 in General Obligation Bonds (Land Acquisition Bonds), Series 2021 for the reimbursement for the purchase of land at 500 N. Delaware. The Land Acquisition Bonds have an interest rate of 0.74%. The bonds require semiannual payments of interest starting January 1, 2022 and four annual payments of principal and interest commencing July 1, 2022 through maturity on July 1, 2025.

The debt service requirements of the General Obligation Bonds (Land Acquisition Bonds) – Series 2021 are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 840,325	\$ 20,866	\$ 861,191
2023	843,434	18,794	862,228
2024	846,555	12,552	859,107
2025	<u>849,686</u>	<u>6,288</u>	<u>855,974</u>
	<u>\$ 3,380,000</u>	<u>\$ 58,500</u>	<u>\$ 3,438,500</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.

***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, 2021, the Town has accrued tax rebates totaling approximately \$1,379,000. 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 14 – Commitments and Contingencies).

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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### NOTE 7 – NONCURRENT LIABILITIES (CONTINUED)

#### *BUSINESS-TYPE ACTIVITIES*

Changes in business-type activities noncurrent liabilities for the year ended September 30, 2021 are summarized as follows:

	Balance at Beginning of Year	Additions	Retirements	Balance at End of Year	Amounts Due Within One Year
Water revenue Bonds / Note					
Series 2010	\$ 2,015,000	\$ --	\$ 640,000	\$ 1,375,000	\$ --
Series 2013	14,390,500	--	1,629,000	12,761,500	--
Compensated absences	<u>1,061,742</u>	<u>27,391</u>	<u>103,879</u>	<u>985,254</u>	<u>125,000</u>
Total Long-Term Debt	17,467,242	<u>\$ 27,391</u>	<u>\$ 2,372,879</u>	15,121,754	<u>\$ 125,000</u>
Current maturities	<u>(120,000)</u>			<u>(125,000)</u>	
<b>Net Long-Term Debt</b>	<u>\$ 17,347,242</u>			<u>\$ 14,996,754</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 more than 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.

**TOWN OF JUPITER, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 7 – NONCURRENT LIABILITIES (CONTINUED)**

***WATER REVENUE REFUNDING NOTE - SERIES 2010 (CONTINUED)***

The debt service requirements of the Series 2010 Note are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022 (*)	\$ --	\$ 21,584	\$ 21,584
2023	670,000	32,769	702,769
2024	<u>705,000</u>	<u>11,128</u>	<u>716,128</u>
<b>Total</b>	<u>\$ 1,375,000</u>	<u>\$ 65,481</u>	<u>\$ 1,440,481</u>

(\*) Payment made in September 2021 for principal and interest due on October 1, 2021.

***WATER REVENUE REFUNDING BONDS - SERIES 2013***

On August 9, 2013, the Town issued \$28,130,000 Water Revenue Refunding Bonds - Series 2013 (the "Series 2013 Bonds") to a financial institution to currently refund the outstanding principal balance of \$6,155,000 on the Water Revenue Refunding Bonds - Series 2002 and \$21,930,000 Water Revenue Refunding Bonds – Series 2003. The refunding resulted in an economic gain 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.

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED SEPTEMBER 30, 2021

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#### NOTE 7 – NONCURRENT LIABILITIES (CONTINUED)

##### *WATER REVENUE REFUNDING BONDS - SERIES 2013 (CONTINUED)*

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

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022 (*)	\$ --	\$ 149,040	\$ 149,040
2023	1,623,500	279,119	1,902,619
2024	1,600,000	241,472	1,841,472
2025	1,627,500	203,778	1,831,278
2026	1,657,500	165,413	1,822,913
2027-2030	<u>6,253,000</u>	<u>283,165</u>	<u>6,536,165</u>
<b>Total</b>	<u>\$ 12,761,500</u>	<u>\$ 1,321,987</u>	<u>\$ 14,083,487</u>

(\*) Payment made in September 2021 for principal and interest due on October 1, 2021.

##### *PLEGGED UTILITY REVENUE*

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 is \$15,523,968 at September 30, 2021. Principal and interest paid on the water revenue bonds and net revenues of the System for 2021 were \$2,668,405 and \$12,293,110, respectively.

##### *DEFEASED BONDS*

At September 30, 2021, \$1,390,000 Water Revenue Refunding Bonds - Series 1994; \$1,375,000 Water Revenue Refunding Bonds - Series 1998; \$15,040,000 Water Revenue Bonds – Series 2003; and \$4,450,000 General Obligation Bonds – Series 2005 were outstanding and considered defeased.

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 7 – NONCURRENT LIABILITIES (CONTINUED)

#### *ANNUAL MATURITIES*

The aggregate maturities for all long-term debt of the Town at September 30, 2021 are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,960,641	\$ 218,931	\$ 2,179,572
2023	4,261,339	355,396	4,616,735
2024	4,280,064	281,658	4,561,722
2025	3,609,814	218,334	3,828,148
2026	1,657,500	165,413	1,822,913
2027-2030	<u>6,253,000</u>	<u>283,165</u>	<u>6,536,165</u>
<b>Total</b>	<u>\$ 22,022,358</u>	<u>\$ 1,522,897</u>	<u>\$ 23,545,255</u>

#### *EVENTS OF DEFAULT*

The Town's failure to pay the principal or interest on an debt when due or failure to observe and perform any covenant, condition, agreement or provision in any indenture applicable to the Town's various debt obligations, constitutes an event of default for the Town. In the event of a default, bondholders may sue to enforce their rights. In certain cases, in the event of a default, the interest rate may be increased.

### NOTE 8 – 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.

**TOWN OF JUPITER, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 8 – RESTRICTED ASSETS (CONTINUED)**

Restricted investments and the related liabilities and restricted net position/fund balance of the governmental activities and governmental funds at September 30, 2021 are summarized as follows:

	Restricted Investments, Cash and Cash Equivalents	Liabilities Payable From Restricted Assets	Unspent Debt Proceeds	Restricted Net Position/ Fund Balance
<b>Governmental Activities/Funds</b>				
Restricted for:				
Environmental land acquisition	\$ 500,723	\$ --	\$ 500,723	\$ --
Economic development	1,848,970	--	--	1,848,970
<b>Total</b>	<b>\$ 2,349,693</b>	<b>\$ --</b>	<b>\$ 500,723</b>	<b>\$ 1,848,970</b>

**NOTE 9 – INTERFUND TRANSACTIONS**

Advances due/from other funds at September 30, 2021 are summarized as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Community Redevelopment Fund	\$ 3,608,899
Capital Improvements Fund	Community Redevelopment Fund	993,011
Water System Fund	Stormwater Fund	5,047,536
<b>Total</b>		<b>\$ 9,649,446</b>

**TOWN OF JUPITER, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 9 – INTERFUND TRANSACTIONS (CONTINUED)**

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 \$676,000 of the balance is scheduled to be collected in the subsequent year. The amount payable by the Stormwater Fund is a loan from the General Fund for capital improvements and approximately \$338,000 of the balance is scheduled to be collected in the subsequent year. Interfund transfer activity for the year ended September 30, 2021, is summarized as follows:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 23,208
Community Redevelopment Fund	General Fund	776,947
Capital Improvements Fund	General Fund	1,357,457
Capital Improvements Fund	Nonmajor Governmental Funds	387,184
Water System Fund	Capital Improvements Fund	24,500
Stormwater Fund	Capital Improvements Fund	<u>95,000</u>
<b>Total</b>		<b><u><u>\$ 2,664,296</u></u></b>

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

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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### NOTE 10 – 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/asset, deferred outflows/inflows of resources related to pensions and pension expense related to these retirement plans are summarized as follows at September 30, 2021:

	MPORT	FRS	HIS	Total
<b>Net Pension Asset</b>	\$ 4,680,795	\$ --	\$ --	\$ 4,680,795
<b>Net Pension Liability</b>	\$ --	\$ 3,386,759	\$ 5,944,371	\$ 9,331,130
<b>Deferred Outflows/Inflows</b>				--
Deferred outflows of resources	\$ 2,087,581	\$ 3,514,304	\$ 916,409	\$ 6,518,294
Deferred inflows of resources	\$ 10,756,947	\$ 11,919,460	\$ 549,013	\$ 23,225,420
<b>Pension Expense</b>	\$ 209,822	\$ 114,142	\$ 453,862	\$ 777,826

#### ***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.

**TOWN OF JUPITER, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)**

***MUNICIPAL POLICE OFFICERS’ RETIREMENT TRUST (“MPORT”) (CONTINUED)***

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, 2021, the date of the latest actuarial valuation:

Active employees	83
Retirees and beneficiaries receiving benefits	66
DROP participants	27
Inactive employees	<u>1</u>
<b>Total Members</b>	<u><u>177</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.

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *RETIREMENT AND OTHER BENEFITS (CONTINUED)*

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 and (b) \$5 multiplied by credited service. The supplemental benefit is reduced for early retirement. Members in DROP are not eligible to receive supplemental benefits until their DROP participation ends.

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

#### *DEFERRED RETIREMENT OPTION PLAN (“DROP”)*

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

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *DEFERRED RETIREMENT OPTION PLAN (“DROP”) (CONTINUED)*

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

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

The balance of amounts held under DROP was \$9,276,007 at September 30, 2021.

#### *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, except for money market mutual funds which are reported at amortized cost, 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

**TOWN OF JUPITER, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)**

*SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

are reduced for investment related expenses, such as management fees, portfolio evaluation and custodial services. Benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms.

*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 the 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 the 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 the MPORT for the year ended September 30, 2021.

The asset allocation policy adopted by the MPORT Board at September 30, 2021 was as follows:

<b>Asset Class</b>	
Domestic equity	32%
International equity	15
Fixed Income and (TIPS)	29
Convertible securities	8
Private real estate	5
Infrastructure	5
Real estate investment trusts (REITs)	5
Cash	<u>1</u>
<b>Total</b>	<u><u>100%</u></u>

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *RATE OF RETURN*

For the year ended September 30, 2021, the annual money-weighted rate of return on MPORT's investments, net of investment expenses, was 20.5%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

#### *NET PENSION LIABILITY (ASSET)*

The components of the net pension liability for MPORT for the most recent actuarial valuation as of October 1, 2021, were as follows:

Total pension liability	\$ 103,611,847
Plan fiduciary net position	<u>(108,292,642)</u>
<b>Net Pension Liability (Asset)</b>	<b><u>\$ (4,680,795)</u></b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b><u>104.5%</u></b>

#### *ACTUARIAL ASSUMPTIONS*

The net pension liability of the MPORT was determined by an actuarial valuation as of October 1, 2021, 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 fair value
Investment rate of return (net of expenses, with inflation)	7.0%
Payroll growth	0.0%
Projected salary increases attributable to:	
Salary increases, including inflation	5.00% - 12.27%
Inflation	2.00%
Cost of living adjustments	3.0%
Mortality rates	Florida Retirement System Special Risk Employees' tables

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *CHANGES IN ACTUARIAL ASSUMPTIONS*

The actuarial assumptions used in the October 1, 2021 actuarial valuation of the Plan were changed from the prior actuarial valuation by decreasing the investment rate of return (discount rate), from 7.2% to 7.0%.

#### *LONG-TERM EXPECTED RATE OF RETURN*

The long-term expected rate of return on investments of the MPORT 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 7.0% 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, 2021 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<b>Asset Class</b>	
Domestic equity	8.5%
International equity	4.1%
Fixed Income and (TIPS)	7.0%
Convertible securities	7.9%
Private real estate	5.0%
Infrastructure	6.4%
Real estate investment trusts (REITs)	7.9%
Cash	5.0%

#### *DISCOUNT RATE*

The discount rate used to measure the total pension liability was 7.0% 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, the MPORT's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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### NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *DISCOUNT RATE (CONTINUED)*

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 (ASSET)*

The changes in the MPORT net pension liability were as follows for the year ended September 30, 2021:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
<b>Balances at October 1, 2020</b>	<u>\$ 96,417,078</u>	<u>\$ 90,326,773</u>	<u>\$ 6,090,305</u>
Changes for the current year:			
Service cost	2,651,840	--	2,651,840
Interest	6,940,564	--	6,940,564
Benefit change	176,391	--	176,391
Difference between expected and actual experience	-- (111,593)	--	(111,593)
Change of assumptions	1,971,172	--	1,971,172
Contributions - Town	--	2,661,412	(2,661,412)
Contributions - State of Florida		787,636	(787,636)
Contributions - employee	--	1,050,767	(1,050,767)
Net investment income	--	18,039,655	(18,039,655)
Benefit payments, including refunds of member contributions	-- (4,433,605)	-- (4,433,605)	-- --
Administration expenses	--	(139,996)	139,996
<b>Net Changes</b>	<u>7,194,769</u>	<u>17,965,869</u>	<u>(10,771,100)</u>
<b>Balances at September 30, 2021</b>	<u>\$ 103,611,847</u>	<u>\$ 108,292,642</u>	<u>\$ (4,680,795)</u>

**TOWN OF JUPITER, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)**

***CHANGES IN THE NET PENSION LIABILITY (ASSET) (CONTINUED)***

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following table presents the net pension liability of the MPORT, calculated using the discount rate of 7.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate:

	1.0% Decrease (6.00%)	Current Discount Rate (7.0%)	1.0% Increase (8.0%)
Net pension liability (asset)	\$ 6,376,687	\$ (4,680,795)	\$ (13,857,314)

***PENSION EXPENSE AND DEFERRED INFLOWS/OUTFLOWS OF RESOURCES RELATED TO PENSIONS***

For the year ended September 30, 2021, the Town recognized pension expense of \$209,822 for the MPORT. At September 30, 2021, the Town reported deferred inflows/outflows of resources related to the MPORT pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Police Officers Pension Plan		
Differences between expected and actual experience	\$ 291,425	\$ 241,077
Net difference between projected and actual investment earnings on pension plans	--	10,300,527
Change of assumptions	1,796,156	215,343
<b>Balances at September 30, 2021</b>	<b>\$ 2,087,581</b>	<b>\$ 10,756,947</b>

**TOWN OF JUPITER, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)**

***PENSION EXPENSE AND DEFERRED INFLOWS/OUTFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)***

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

Year Ending September 30	Amount
2022	\$ (1,784,108)
2023	(2,192,645)
2024	(2,379,186)
2025	<u>(2,313,427)</u>
<b>Total</b>	<u><u>\$ (8,669,366)</u></u>

***STATE OF FLORIDA PENSION PLANS***

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

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

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *STATE OF FLORIDA PENSION PLANS (CONTINUED)*

HIS membership is optional and available to all retirees under the state-administered retirement system, provided the retiree provides proof of health insurance coverage, which can include Medicare.

Participation is compulsory for cities, municipalities, special districts, charter schools and metropolitan planning organizations that participate in FRS.

#### *BENEFITS PROVIDED*

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

#### *TOWN CONTRIBUTIONS*

FRS members are required to contribute 3.0% 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 9.16% of annual covered payroll for employees covered in the regular class, 27.33% for senior management class, 24.23% for special risk class, 49.76% for elected officials and 16.68% 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, 2021 were \$2,117,034, which was equal to 100% of the required contributions for the year.

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *FUNDING POLICY*

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

#### *PUBLICLY AVAILABLE FINANCIAL REPORT*

The State of Florida issues a publicly available financial report for FRS and HIS that includes financial statements and required supplementary information. The complete financial report is available on the Publications page of the Division of Retirement's website at [www.frs.myflorida.com](http://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

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED SEPTEMBER 30, 2021

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#### NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

##### *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

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, 2021.

##### *PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED INFLOWS/OUTFLOWS OF RESOURCES RELATED TO FRS AND HIS PENSIONS*

At September 30, 2021, the Town reported a liability of \$3,386,759 and \$5,944,371 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, 2021, and the total pension liability used to calculate the net pension liability of each plan was determined by actuarial valuations as of July 1, 2021. 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, 2021, the Town's FRS proportion was 0.044834791 percent, which was an increase of 0.000250896 percent from its proportion measured as of June 30, 2020 and the HIS proportion was 0.048460192 percent, which was a decrease of 0.002124955 percent from its proportion measured as of June 30, 2020.

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED SEPTEMBER 30, 2021

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#### NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

***PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED INFLOWS/OUTFLOWS OF RESOURCES RELATED TO FRS AND HIS PENSIONS (CONTINUED)***

For the year ended September 30, 2021, the Town recognized pension expense of \$568,004 for FRS and HIS. At September 30, 2021, the Town reported deferred outflows and inflows of resources related to FRS pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 580,496	\$ --
Changes in assumptions	2,317,388	--
Net difference between projected and actual investment earnings on pension plan investments	--	11,815,550
Changes in proportion and differences between employer contributions and proportional share of contributions	190,421	103,910
Town contributions subsequent to the measurement date	425,999	--
<b>Total</b>	<b>\$ 3,514,304</b>	<b>\$ 11,919,460</b>

At September 30, 2021, the Town reported deferred outflows and inflows of resources related to HIS pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 198,914	\$ 2,490
Changes in assumptions	467,095	244,923
Net difference between projected and actual investment earnings on pension plan investments	6,197	--
Changes in proportion and differences between employer contributions and proportional share of contributions	178,596	301,600
Town contributions subsequent to the measurement date	65,607	--
<b>Total</b>	<b>\$ 916,409</b>	<b>\$ 549,013</b>

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED INFLOWS/OUTFLOWS OF RESOURCES RELATED TO FRS AND HIS PENSIONS (CONTINUED)*

Deferred outflows of resources related to FRS and HIS pensions of \$491,606 resulting from Town contributions subsequent to the measurement date of June 30, 2021, but prior to September 30, 2021, will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred inflows/outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30	FRS Amount	HIS Amount
2022	\$ (1,556,206)	\$ 96,501
2023	(1,817,075)	16,773
2024	(2,411,606)	56,405
2025	(3,094,362)	81,582
2026	33,678	55,845
Thereafter	<u>14,416</u>	<u>(5,317)</u>
<b>Total</b>	<b><u>\$ (8,831,155)</u></b>	<b><u>\$ 301,789</u></b>

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED SEPTEMBER 30, 2021

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#### NOTE 10 – 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:

	<b>FRS</b>	<b>HIS</b>
Valuation date	July 1, 2021	July 1, 2021
Measurement date	June 30, 2021	June 30, 2021
Actuarial cost method	Individual Entry Age	Individual Entry Age
Amortization method	Level percent of pay, closed	Level percent of pay, closed
Amortization period	20/30 years	25/30 years
Asset valuation method	5 year smoothed	Fair value
Discount rate	6.80%	2.16%
Inflation	2.40%	2.40%
Salary increases, including inflation	3.25%	3.25%
Long-term expected rate of return, net of investment expenses	6.80%	N/A
Municipal bond rate	N/A	2.16%
Cost of living adjustments	3% pre-July 2011, 0% thereafter	N/A
Mortality rates	PUB-2010 base table with Scale MP-2018	PUB-2010 base table with Scale MP-2018

The actuarial assumptions used in the July 1, 2021 FRS valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Changes in Actuarial Assumptions: The amortization period for FRS was changed from 25 years for 2020 to 20 years for 2021. The municipal bond rate for HRS was decreased from 2.21% for 2020 to 2.16% for 2021.

**TOWN OF JUPITER, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)**

***LONG-TERM EXPECTED RATE OF RETURN***

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 of 6.8% 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:

<b>Asset Class</b>	<b>Long-Term Real Rate of Return</b>
Cash	2.1%
Fixed income	3.8
Global equity	8.2
Real estate	7.1
Private equity	11.7
Strategic investments	5.7

***DISCOUNT RATE***

The discount rate used to measure the total pension liability of FRS at June 30, 2021 was 6.8% for FRS and 2.16% 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 which was 2.16%, based on an index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. 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 2.21% was used to determine the total pension liability.

**TOWN OF JUPITER, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)**

***DISCOUNT RATE***

Sensitivity of the Town’s Proportionate Share of the Net Pension Liability (Asset) 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, 2021, calculated using the current discount rate, as well as what the Town’s proportionate share of the net pension liability/asset 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% Decrease (5.8%)	Current Discount Rate (6.8%)	1.0% Increase (7.8%)	1% Decrease (1.16%)	Current Discount Rate (2.16)	1.0% Increase (3.16%)
<u>\$ 15,145,813</u>	<u>\$ 3,386,759</u>	<u>\$ (6,442,492)</u>	<u>\$ 6,872,269</u>	<u>\$ 5,944,371</u>	<u>\$ 5,184,166</u>

***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](http://www.frs.myflorida.com).

**NOTE 11 – 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.

**TOWN OF JUPITER, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

***DESCRIPTION OF THE PLAN (CONTINUED)***

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 \$913 for single coverage to a maximum of \$2,132 for single plus spousal coverage.

***PLAN MEMBERSHIP***

Membership in the Plan was comprised of the following at September 30, 2021, the date of the most recent actuarial valuation:

Active employees	348
Retirees and beneficiaries receiving benefits	11
Inactive employees	<u>    --</u>
<b>Total Members</b>	<b><u>    359</u></b>

***TOTAL OPEB LIABILITY***

The Town's total OPEB liability of \$1,191,373 was measured as of September 30, 2021, and was determined by an actuarial valuation as of September 30, 2021.

**TOWN OF JUPITER, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

*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, 2021
Actuarial cost method	Entry Age Normal
Port-retirement benefit increases	None
Healthcare cost trend rates	6.0% per year initially, reduced annually by an ultimate rate of 4.5%
Amortization method	Level Percent of Projected Salary - Closed
Remaining amortization period	10.6 years
Asset valuation method	N/A <sup>1</sup>
Actuarial assumptions:	
Discounted rate	2.43% <sup>2</sup>
Projected salary increases	3.50%
Mortality rates	PUB - 2010 mortality table with generational scale MP - 2020

(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, 2021, 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*.

**TOWN OF JUPITER, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

***CHANGES IN THE TOTAL OPEB LIABILITY***

The changes in the total OPEB liability were as follows for the year ended September 30, 2021:

<b>Total OPEB Liability at October 1, 2020</b>	<u>\$ 1,263,876</u>
<b>Changes for the Current Year</b>	
Service cost	78,290
Interest	28,387
Difference between expected and actual experience	(57,763)
Change in assumptions or other inputs	(5,382)
Benefit payments	<u>(116,035)</u>
<b>Net Changes</b>	<u>(72,503)</u>
<b>Balances at September 30, 2021</b>	<u><u>\$ 1,191,373</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 2.43%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.43%) or one percentage point higher (3.43%) than the current rate:

1% Decrease (1.43%)	Current Discount Rate (2.43%)	1.0% Increase (3.43%)
<u>\$ 1,291,183</u>	<u>\$ 1,191,373</u>	<u>\$ 1,099,647</u>

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED SEPTEMBER 30, 2021

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#### NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

##### *CHANGES IN THE TOTAL OPEB LIABILITY (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 6.0% 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 (5.0% decreasing to 3.5%) or one percentage point higher (7.0% decreasing to 5.5%) than the current rate:

1% Decrease (5.0% decreasing to 3.5%)	Current Trend Rate (6.0% decreasing to 4.5%)	1.0% Increase (7.0% decreasing to 5.5%)
<u>\$ 1,061,115</u>	<u>\$ 1,191,373</u>	<u>\$ 1,345,263</u>

##### *OPEB EXPENSE AND DEFERRED INFLOWS/OUTFLOWS OF RESOURCES RELATED TO OPEB*

For the year ended September 30, 2021, the Town recognized OPEB expense of \$124,706. At September 30, 2021, the Town reported deferred inflows/outflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ --	\$ (1,873,385)
Changes in assumptions or other inputs	<u>64,368</u>	<u>(141,470)</u>
<b>Total</b>	<u>\$ 64,368</u>	<u>\$ (2,014,855)</u>

**TOWN OF JUPITER, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

***OPEB EXPENSE AND DEFERRED INFLOWS/OUTFLOWS OF RESOURCES RELATED TO OPEB  
(CONTINUED)***

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

<u>Year Ending September 30</u>	<u>Amount</u>
2022	\$ (244,857)
2023	(244,857)
2024	(244,857)
2025	(244,857)
2026	(244,857)
Thereafter	<u>(726,202)</u>
<b>Total</b>	<b><u>\$ (1,950,487)</u></b>

**NOTE 12 – RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town is also subject to risk of loss arising in the ordinary course of business, including, but not limited to, claims for damages for personal injuries, employment-related claims, and breach of contract. Commercial insurance is purchased for certain specialized insurance coverages, including, but not limited to property, equipment, general liability, automobile, professional liability, and workers compensation. The Town uses the General Fund to account for all commercial insurance and retained risks of loss.

On January 1, 2015, the Town entered into a partially self-insured health plan with a 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 \$41,845 (all current) at September 30, 2021. 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).

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED SEPTEMBER 30, 2021

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#### NOTE 12 – RISK MANAGEMENT

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 2021:

Fiscal Year Ending September 30,	Beginning of Year	Claims Expense	Claims Paid	End of Fiscal Year
2020	\$ 165,466	\$ 3,379,917	\$ (3,367,393)	\$ 177,990
2021	177,990	3,774,547	(3,910,692)	41,845

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, 2021 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 13 – FUND DEFICIT

The Community Redevelopment Fund had a deficit fund balance of \$2,986,573 at September 30, 2021. 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**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

***CONTRACT COMMITMENTS***

The Town has uncompleted construction contracts for the Town’s municipal complex, improvements to the water system, 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, 2021, the remaining commitments on all uncompleted contracts were \$3,172,425. The outstanding contract commitments at September 30, 2021, are summarized as follows:

	Contract Amount	Payments	Retainage Payable	Remaining Contract Communication
Capital Improvements Fund	\$ 2,111,322	\$ 1,288,386	\$ 69,422	\$ 753,514
Water System Fund	<u>6,967,651</u>	<u>3,996,094</u>	<u>552,646</u>	<u>2,418,911</u>
	<u>\$ 9,078,973</u>	<u>\$ 5,284,480</u>	<u>\$ 622,068</u>	<u>\$ 3,172,425</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 rebate liability at September 30, 2021 was \$1,379,043 which includes \$704,510 accrued in the Community Redevelopment Fund and an additional \$674,893 accrued in the governmental activities due to the anticipated long term nature of these payments. The Town believes that Harbourside is in default of the agreement and these accrued amounts remain unpaid due to current litigation between the Town and the developer.

# TOWN OF JUPITER, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 14 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

#### *COST SHARING AGREEMENT*

The Town entered into an agreement with the City of Palm Beach Gardens, Florida, (“PBG”) and the Town of Juno Beach, Florida, to share costs related to public safety dispatch services. The agreement is for a five-year period ending September 30, 2021. The agreement has been extended for an additional five-year period through September 30, 2026. 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 \$2,220,000 for the year ended September 30, 2021.

#### *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, 2021, the Town had pledged certificates of deposit totaling approximately \$1,849,000 to a financial institution as collateral for outstanding loan guarantees of approximately \$1,346,000 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.

**TOWN OF JUPITER, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 14 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

*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.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**TOWN OF JUPITER, FLORIDA**

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND - GAAP BASIS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Taxes	\$ 32,750,834	\$ 32,750,834	\$ 33,024,347	\$ 273,513
Franchise fees	4,800,000	4,800,000	4,833,111	33,111
Licenses and permits	506,100	506,100	573,134	67,034
Intergovernmental revenue	6,676,873	6,676,873	8,630,454	1,953,581
Charges for services	6,566,501	6,626,837	6,103,794	(523,043)
Cost allocation	2,731,591	2,731,591	2,731,591	--
Fines and forfeitures	205,000	205,000	452,487	247,487
Investment earnings	543,267	543,267	212,617	(330,650)
Donations	18,000	18,000	750	(17,250)
Miscellaneous	<u>185,150</u>	<u>185,150</u>	<u>323,107</u>	<u>137,957</u>
<b>Total Revenues</b>	54,983,316	55,043,652	56,885,392	1,841,740
<b>Other Financing Sources</b>				
Sale of capital assets	--	42,486	73,497	31,011
Proceeds for the issuance of debt	--	--	3,380,000	--
Appropriated fund balance	107,875	4,881,935	--	(4,881,935)
Transfers	<u>500,000</u>	<u>500,000</u>	<u>--</u>	<u>(500,000)</u>
<b>Total Other Financing Sources</b>	<u>607,875</u>	<u>5,424,421</u>	<u>3,453,497</u>	<u>(5,350,924)</u>
<b>Total Revenues and Other Financing Sources</b>	<u>\$ 55,591,191</u>	<u>\$ 60,468,073</u>	<u>\$ 60,338,889</u>	<u>\$ (3,509,184)</u>

(Continued)

*See notes to budgetary comparison schedule.*

# TOWN OF JUPITER, FLORIDA

## BUDGETARY COMPARISON SCHEDULE GENERAL FUND - GAAP BASIS (CONTINUED)

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>General Government</b>				
<b>Town Council</b>				
Personal services	\$ 60,114	\$ 60,114	\$ 59,803	\$ 311
Operating expenditures	173,133	173,133	155,305	17,828
Donations	<u>25,000</u>	<u>51,500</u>	<u>51,500</u>	<u>--</u>
	258,247	284,747	266,608	18,139
<b>Town Manager</b>				
Personal services	461,250	461,250	467,741	(6,491)
Operating expenditures	<u>22,700</u>	<u>22,700</u>	<u>14,375</u>	<u>8,325</u>
	483,950	483,950	482,116	1,834
<b>Town Clerk</b>				
Personal services	467,956	467,956	366,536	101,420
Operating expenditures	<u>153,310</u>	<u>153,310</u>	<u>28,959</u>	<u>124,351</u>
	621,266	621,266	395,495	225,771
<b>Neighborhood</b>				
Personal services	251,793	251,793	252,909	(1,116)
Operating expenditures	<u>63,180</u>	<u>63,180</u>	<u>8,504</u>	<u>54,676</u>
	314,973	314,973	261,413	53,560
<b>External Affairs</b>				
Personal services	749,395	749,395	631,853	117,542
Operating expenditures	<u>170,380</u>	<u>170,380</u>	<u>104,836</u>	<u>65,544</u>
	919,775	919,775	736,689	183,086
<b>Finance</b>				
Personal services	1,001,152	1,001,152	883,433	117,719
Operating expenditures	<u>48,975</u>	<u>48,975</u>	<u>15,729</u>	<u>33,246</u>
	1,050,127	1,050,127	899,162	150,965
<b>Business Development</b>				
Personal services	101,967	101,967	4,398	97,569
Operating expenditures	<u>9,685</u>	<u>9,685</u>	<u>937</u>	<u>8,748</u>
	111,652	111,652	5,335	106,317
<b>Town Attorney</b>				
Operating expenditures	<u>350,320</u>	<u>508,061</u>	<u>504,504</u>	<u>3,557</u>

(Continued)

*See notes to budgetary comparison schedule.*

**TOWN OF JUPITER, FLORIDA**

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND - GAAP BASIS (CONTINUED)**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Information Systems</b>				
Personal services	\$ 1,520,354	\$ 1,520,354	\$ 1,415,860	\$ 104,494
Operating expenditures	<u>1,467,327</u>	<u>1,467,327</u>	<u>1,395,617</u>	<u>71,710</u>
	2,987,681	2,987,681	2,811,477	176,204
<b>Human Resources</b>				
Personal services	609,007	609,007	629,701	(20,694)
Operating expenditures	<u>186,205</u>	<u>186,205</u>	<u>95,851</u>	<u>90,354</u>
	795,212	795,212	725,552	69,660
<b>Planning and Zoning</b>				
Personal services	1,632,428	1,632,428	1,663,041	(30,613)
Operating expenditures	<u>383,035</u>	<u>520,211</u>	<u>456,485</u>	<u>63,726</u>
	2,015,463	2,152,639	2,119,526	33,113
<b>Other General Government</b>				
Personal services	10,000	10,000	12,273	(2,273)
Operating expenditures	8,049,015	7,816,935	7,569,511	247,424
Capital outlay	<u>--</u>	<u>3,308,791</u>	<u>3,308,791</u>	<u>--</u>
	8,059,015	11,135,726	10,890,575	245,151
<b>Total General Government</b>	<u>17,967,681</u>	<u>21,365,809</u>	<u>20,098,452</u>	<u>1,267,357</u>
<b>Public Safety</b>				
<b>Code Compliance</b>				
Personal services	665,953	665,953	485,424	180,529
Operating expenditures	<u>99,347</u>	<u>99,347</u>	<u>45,260</u>	<u>54,087</u>
	765,300	765,300	530,684	234,616
<b>Police</b>				
Personal services	20,513,608	20,513,608	20,208,480	305,128
Operating expenditures	4,115,153	4,148,965	3,944,675	204,290
Capital outlay	<u>15,000</u>	<u>47,485</u>	<u>--</u>	<u>47,485</u>
	24,643,761	24,710,058	24,153,155	556,903
<b>Total Public Safety</b>	<u>25,409,061</u>	<u>25,475,358</u>	<u>24,683,839</u>	<u>791,519</u>

(Continued)

*See notes to budgetary comparison schedule.*

# TOWN OF JUPITER, FLORIDA

## BUDGETARY COMPARISON SCHEDULE GENERAL FUND - GAAP BASIS (CONTINUED)

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Engineering and Public Works</b>				
<b>Engineering</b>				
Personal services	\$ 1,459,027	\$ 1,459,877	\$ 1,408,949	\$ 50,928
Operating expenditures	96,740	96,740	54,652	42,088
Capital outlay	--	--	--	--
	<u>1,555,767</u>	<u>1,556,617</u>	<u>1,463,601</u>	<u>93,016</u>
<b>Public Works</b>				
Personal services	3,753,077	3,753,077	3,590,501	162,576
Operating expenditures	2,914,526	2,932,239	2,790,135	142,104
Capital outlay	86,233	85,623	(36)	85,659
	<u>6,753,836</u>	<u>6,770,939</u>	<u>6,380,600</u>	<u>390,339</u>
<b>Total Engineering and Public Works</b>	<u>8,309,603</u>	<u>8,327,556</u>	<u>7,844,201</u>	<u>483,355</u>
<b>Culture and Recreation</b>				
<b>Parks and Recreation</b>				
Personal services	1,976,543	1,976,543	1,505,611	470,932
Operating expenditures	1,101,625	1,140,775	421,722	719,053
Capital outlay	49,500	47,397	--	47,397
	<u>3,127,668</u>	<u>3,164,715</u>	<u>1,927,333</u>	<u>1,237,382</u>
<b>Total Culture and Recreation</b>	<u>3,127,668</u>	<u>3,164,715</u>	<u>1,927,333</u>	<u>1,237,382</u>
<b>Total Expenditures</b>	<u>54,814,013</u>	<u>58,333,438</u>	<u>54,553,825</u>	<u>3,779,613</u>
<b>Other Financing Uses</b>				
Other debt service costs	--	--	48,001	(48,001)
Transfers out	777,178	2,134,635	2,157,612	(22,977)
	<u>777,178</u>	<u>2,134,635</u>	<u>2,205,613</u>	<u>(70,978)</u>
<b>Total Expenditures and Other Financing Uses</b>	<u>55,591,191</u>	<u>60,468,073</u>	<u>56,759,438</u>	<u>3,708,635</u>
<b>Net Change in Fund Balance</b>	<u>\$ --</u>	<u>\$ --</u>	3,579,451	<u>\$ 199,451</u>
<b>Reconciliation to GAAP Basis Statements</b>				
Insurance reimbursements over expenditures			<u>1,541,864</u>	
<b>Net Change in Fund Balance - GAAP Basis</b>			<u>\$ 5,121,315</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Taxes	\$ 2,285,754	\$ 2,285,754	\$ 1,506,192	\$ (779,562)
Charges for services	95,157	95,157	86,632	(8,525)
Investment earnings	<u>1,000</u>	<u>1,000</u>	<u>1,011</u>	<u>11</u>
<b>Total Revenues</b>	<u>2,381,911</u>	<u>2,381,911</u>	<u>1,604,203</u>	<u>(777,708)</u>
<b>Expenditures</b>				
General government				
Operating expenditures	1,105,102	1,556,337	1,301,780	254,557
Capital outlay	550,000	827,942	93,647	734,295
Interest and fiscal charges	<u>152,190</u>	<u>152,190</u>	<u>152,190</u>	<u>--</u>
<b>Total Expenditures</b>	<u>1,807,292</u>	<u>2,536,469</u>	<u>1,547,617</u>	<u>988,852</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	574,619	(154,558)	56,586	211,144
<b>Other Financing Sources (Uses)</b>				
Transfers in	--	--	776,947	776,947
Transfers out	(871,077)	(871,077)	--	871,077
Appropriated fund balance	<u>296,458</u>	<u>1,025,635</u>	<u>--</u>	<u>(1,025,635)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(574,619)</u>	<u>154,558</u>	<u>776,947</u>	<u>622,389</u>
<b>Net Change in Fund Balance</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 833,533</u>	<u>\$ 833,533</u>

*See notes to budgetary comparison schedules.*

# TOWN OF JUPITER, FLORIDA

## NOTES TO BUDGETARY COMPARISON SCHEDULES (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – 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, 2021, supplemental budget appropriations of \$4,876,882 for the General Fund and \$729,177 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, 2021, the Town had commitments related to unperformed contracts, which have been re-appropriated in the 2021-2022 annual budget. These amounts are not included in the current year's expenditures as reported in the budgetary comparison schedules.

### NOTE 2 – 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.

# **TOWN OF JUPITER, FLORIDA**

## **NOTES TO BUDGETARY COMPARISON SCHEDULES (CONTINUED)**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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### **NOTE 2 – BUDGET AND ACTUAL COMPARISONS**

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 OFFICERS' RETIREMENT TRUST**

**LAST EIGHT FISCAL YEARS**

	Measurement Date September 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>								
Service cost	\$ 2,651,840	\$ 2,557,724	\$ 2,406,524	\$ 2,521,070	\$ 2,582,297	\$ 2,364,103	\$ 2,342,424	\$ 2,331,725
Interest	6,940,564	6,654,336	6,173,634	5,878,440	5,599,862	5,122,104	4,813,173	4,566,837
Changes of benefit terms	176,391	194,383	175,084	132,470	20,996	119,360	--	--
Differences between expected and actual experience	(111,593)	(136,862)	1,019,990	(986,328)	(1,242,300)	1,544,666	(51,881)	(1,448,507)
Changes of assumptions	1,971,172	(430,685)	885,877	850,361	44,485	--	(428,678)	53,064
Benefit payments, including refunds	(4,433,605)	(2,976,321)	(3,159,357)	(3,251,402)	(3,201,705)	(2,712,827)	(2,334,850)	(2,013,388)
<b>Net Change in Total Pension Liability</b>	<b>7,194,769</b>	<b>5,862,575</b>	<b>7,501,752</b>	<b>5,144,611</b>	<b>3,803,635</b>	<b>6,437,406</b>	<b>4,340,188</b>	<b>3,489,731</b>
<b>Total Pension Liability - Beginning of Fiscal Year</b>	<b>96,417,078</b>	<b>90,554,503</b>	<b>83,052,751</b>	<b>77,908,140</b>	<b>74,104,505</b>	<b>67,667,099</b>	<b>63,326,911</b>	<b>59,837,180</b>
<b>Total Pension Liability - End of Fiscal Year (a)</b>	<b>\$ 103,611,847</b>	<b>\$ 96,417,078</b>	<b>\$ 90,554,503</b>	<b>\$ 83,052,751</b>	<b>\$ 77,908,140</b>	<b>\$ 74,104,505</b>	<b>\$ 67,667,099</b>	<b>\$ 63,326,911</b>
<b>Plan Fiduciary Net Position</b>								
Contributions								
Employer	\$ 2,661,412	\$ 2,308,308	\$ 2,346,166	\$ 2,476,765	\$ 2,211,161	\$ 2,251,726	\$ 2,374,127	\$ 2,431,252
State of Florida	787,636	805,628	786,329	743,715	632,241	730,605	559,470	527,943
Plan members	1,050,767	1,086,504	1,043,638	991,404	975,895	903,805	783,141	666,691
Net investment income (loss)	18,039,655	8,387,386	4,629,836	4,933,798	6,163,642	4,860,116	(1,126,145)	4,769,815
Benefit payments, including refunds	(4,433,605)	(2,976,321)	(3,159,357)	(3,251,402)	(3,201,705)	(2,712,827)	(2,334,850)	(2,013,388)
Administration expense	(139,996)	(148,946)	(139,405)	(142,815)	(133,665)	(143,660)	(130,608)	(124,608)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>17,965,869</b>	<b>9,462,559</b>	<b>5,507,207</b>	<b>5,751,465</b>	<b>6,647,569</b>	<b>5,889,765</b>	<b>125,135</b>	<b>6,257,705</b>
<b>Plan Fiduciary Net Position - Beginning of Fiscal Year</b>	<b>90,326,773</b>	<b>80,864,214</b>	<b>75,357,007</b>	<b>69,605,542</b>	<b>62,957,973</b>	<b>57,068,208</b>	<b>56,943,073</b>	<b>50,685,368</b>
<b>Plan Fiduciary Net Position - End of Fiscal Year (b)</b>	<b>\$ 108,292,642</b>	<b>\$ 90,326,773</b>	<b>\$ 80,864,214</b>	<b>\$ 75,357,007</b>	<b>\$ 69,605,542</b>	<b>\$ 62,957,973</b>	<b>\$ 57,068,208</b>	<b>\$ 56,943,073</b>
<b>Net Pension Liability (Asset) - End of Fiscal Year [(a)-(b)]</b>	<b>\$ (4,680,795)</b>	<b>\$ 6,090,305</b>	<b>\$ 9,690,289</b>	<b>\$ 7,695,744</b>	<b>\$ 8,302,598</b>	<b>\$ 11,146,532</b>	<b>\$ 10,598,891</b>	<b>\$ 6,383,838</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	104.5%	93.7%	89.3%	90.7%	89.3%	85.0%	84.3%	89.9%
<b>Covered Payroll</b>	<b>\$ 10,507,659</b>	<b>\$ 10,865,023</b>	<b>\$ 10,407,005</b>	<b>\$ 9,612,905</b>	<b>\$ 9,725,993</b>	<b>\$ 9,049,623</b>	<b>\$ 7,983,304</b>	<b>\$ 7,557,207</b>
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	-44.5%	56.1%	93.1%	80.1%	85.4%	123.2%	132.8%	84.5%

**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 (FRS). FRS updated its mortality table in 2020 and MPORT revised its mortality assumption accordingly effective with its October 1, 2020 actuarial valuation.

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 was reduced to 7.3% with the October 1, 2019 actuarial valuation and reduced again to 7.2% with the October 1, 2020 actuarial valuation.

**TOWN OF JUPITER, FLORIDA**

**SCHEDULE OF TOWN CONTRIBUTIONS - MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST**

**LAST TEN FISCAL YEARS**

	Fiscal Year Ended September 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 2,661,412	\$ 2,308,308	\$ 2,346,166	\$ 2,476,765	\$ 2,159,386	\$ 2,168,424	\$ 2,297,194	\$ 2,426,404	\$ 2,473,921	\$ 2,082,682
Contributions in relation to actuarially determined contribution	2,661,412	2,308,308	2,346,166	2,476,765	2,211,161	2,251,726	2,374,127	2,431,252	2,473,921	2,082,682
Contribution deficiency (excess)	--	--	--	--	(51,775)	(83,302)	(76,933)	(4,848)	--	--
Covered payroll	<u>\$ 10,507,659</u>	<u>\$ 10,865,023</u>	<u>\$ 10,407,005</u>	<u>\$ 9,612,905</u>	<u>\$ 9,725,993</u>	<u>\$ 9,049,623</u>	<u>\$ 7,983,304</u>	<u>\$ 7,557,207</u>	<u>\$ 7,340,693</u>	<u>\$ 7,371,364</u>
Contributions as a percentage of covered payroll	25.3%	21.2%	22.5%	25.8%	22.7%	24.9%	29.7%	32.2%	33.7%	28.3%

**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.

**Significant 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
Inflation, per year	2.00%
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 (FRS) 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%.

Effective with the October 1, 2020 actuarial valuation, the investment rate of return changed from 7.3% to 7.2%.

Effective with the October 1, 2021 actuarial valuation, the investment rate of return changed from 7.2% to 7.0%.

# TOWN OF JUPITER, FLORIDA

## SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN MUNICIPAL POLICE OFFICERS' RETIREMENT FUND

### LAST TEN FISCAL YEARS

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<u>Fiscal Year Ended September 30,</u>	<u>Money- Weighted Rate of Return</u>
2021	20.5%
2020	10.7%
2019	6.3%
2018	7.5%
2017	10.2%
2016	8.9 %
2015	-1.5%
2014	9.9%
2013	12.4%
2012	17.5%

#### **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 EIGHT FISCAL YEARS**

	Measurement Date June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Town's proportion of the net pension liability	<u>0.044834791%</u>	<u>0.044583895%</u>	<u>0.044715658%</u>	<u>0.045472054%</u>	<u>0.045483477%</u>	<u>0.042422942%</u>	<u>0.039923440%</u>	<u>3.963095100%</u>
Town's proportionate share of the net pension liability	<u>\$ 3,386,759</u>	<u>\$ 19,323,317</u>	<u>\$ 15,399,450</u>	<u>\$ 13,696,418</u>	<u>\$ 13,453,707</u>	<u>\$ 10,711,826</u>	<u>\$ 5,156,648</u>	<u>\$ 2,418,071</u>
Town covered payroll	<u>\$ 17,237,437</u>	<u>\$ 17,553,761</u>	<u>\$ 17,045,381</u>	<u>\$ 16,833,609</u>	<u>\$ 16,715,630</u>	<u>\$ 15,116,119</u>	<u>\$ 13,301,876</u>	<u>\$ 13,496,363</u>
Town's proportionate share of the net pension liability as a percentage of Town covered payroll	<u>19.65%</u>	<u>110.08%</u>	<u>90.34%</u>	<u>81.36%</u>	<u>80.49%</u>	<u>70.86%</u>	<u>38.77%</u>	<u>17.92%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>96.40%</u>	<u>78.80%</u>	<u>82.60%</u>	<u>84.26%</u>	<u>83.90%</u>	<u>84.90%</u>	<u>92.00%</u>	<u>96.10%</u>

**Notes to Schedule:**

Actuarial valuation date	7/1/2021
Actuarial measurement date	6/30/2021
<b>Significant actuarial methods and assumptions used to determine contribution rates:</b>	
Discount rate - 2021	2.16%
Discount rate - 2020	6.80%
Discount rate - 2019	6.90%
Discount rate - 2018	7.00%
Discount rate - 2017	7.10%
Discount rate - 2016	7.60%
Discount rate - 2015	7.65%
Actuarial cost method	Individual Entry Age
Amortization method	Level Percent of Payroll, Closed
Amortization period:	
Gains and losses	25/30 years
Assumption, method and plan changes	25/30 years
Asset valuation method	Fair Value
	5-year smoothed
Inflation, per year	2.40%
Salary increases (with inflation), per year	3.25%
Investment rate of return (net of expenses, with inflation), per year	6.80%
Payroll growth	3.25%
Cost of living adjustments	3.0% pre-July 2011 0% thereafter
Retirement age	Varies by tier and member class
Mortality	
2019-2020	PUB-2010
	base table with Sc
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.

**TOWN OF JUPITER, FLORIDA**

**SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
FLORIDA RETIREE HEALTH INSURANCE SUBSIDY (HIS) TRUST FUND**

**LAST EIGHT FISCAL YEARS**

	Measurement Date June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Town's proportion of the net pension liability	<u>0.048460192%</u>	<u>0.050585147%</u>	<u>0.050960206%</u>	<u>0.051527758%</u>	<u>0.052350980%</u>	<u>0.048949110%</u>	<u>0.044077343%</u>	<u>0.044449227%</u>
Town's proportionate share of the net pension liability	<u>5,944,371</u>	<u>\$ 6,176,364</u>	<u>\$ 5,701,937</u>	<u>\$ 5,453,756</u>	<u>\$ 5,597,608</u>	<u>\$ 5,704,816</u>	<u>\$ 4,495,196</u>	<u>\$ 4,200,386</u>
Town covered payroll	<u>\$ 17,237,437</u>	<u>\$ 17,553,761</u>	<u>\$ 17,045,381</u>	<u>\$ 16,833,609</u>	<u>\$ 16,715,630</u>	<u>\$ 15,116,119</u>	<u>\$ 13,301,876</u>	<u>\$ 13,496,363</u>
Town's proportionate share of the net pension liability as a percentage of Town covered payroll	<u>34.49%</u>	<u>35.19%</u>	<u>33.45%</u>	<u>32.40%</u>	<u>33.49%</u>	<u>37.74%</u>	<u>33.79%</u>	<u>31.12%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>78.80%</u>	<u>3.00%</u>	<u>2.60%</u>	<u>2.15%</u>	<u>1.60%</u>	<u>1.00%</u>	<u>0.50%</u>	<u>1.00%</u>

**Notes to Schedule:**

Actuarial valuation date	7/1/2020
Actuarial measurement date	6/30/2021
<b>Significant actuarial methods and assumptions used to determine contribution rates:</b>	
Discount rate - 2021	2.16%
Discount rate - 2020	2.21%
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%
Actuarial cost method	Individual Entry Age
Amortization method	Level Percent of Payroll, Closed
Amortization period:	
Gains and losses	25/30 years
Assumption, method and plan changes	25/30 years
Asset valuation method	Fair Value
Inflation, per year	2.40%
Salary increases (with inflation), per year	3.25%
Investment rate of return (net of expenses, with inflation), per year	N/A
Payroll growth	3.25%
Cost of living adjustments	N/A
Retirement age	N/A
Mortality	PUB-2010 base table with Scale MP-2018

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

**TOWN OF JUPITER, FLORIDA**  
**SCHEDULE OF TOWN CONTRIBUTIONS**  
**FLORIDA RETIREMENT SYSTEM FRS AND HIS PLANS**

**LAST EIGHT FISCAL YEARS**

	Fiscal Year Ended September 30,							
	2021	2020	2019	2018	2017	2016	2015	2015
<b>Florida Retirement System (FRS)</b>								
Contractually required Town contribution	\$ 1,741,284	\$ 1,539,089	\$ 1,406,460	\$ 1,319,143	\$ 1,160,342	\$ 1,082,756	\$ 997,371	\$ 868,086
Contributions in relation to the contractually required Town contribution	<u>1,741,284</u>	<u>1,539,089</u>	<u>1,406,460</u>	<u>1,319,143</u>	<u>1,160,342</u>	<u>1,082,756</u>	<u>997,371</u>	<u>868,086</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Town covered payroll	<u>\$ 127,237,456</u>	<u>\$ 17,537,332</u>	<u>\$ 17,135,908</u>	<u>\$ 16,861,444</u>	<u>\$ 16,392,069</u>	<u>\$ 15,373,489</u>	<u>\$ 13,944,152</u>	<u>\$ 13,121,419</u>
Contributions as a percentage of Town covered payroll	<u>1.37%</u>	<u>8.78%</u>	<u>8.21%</u>	<u>7.82%</u>	<u>7.08%</u>	<u>7.04%</u>	<u>7.15%</u>	<u>6.62%</u>
<b>Florida Retiree Health Insurance Subsidy (HIS)</b>								
Contractually required Town contribution	\$ 684,928	\$ 291,177	\$ 284,545	\$ 279,839	\$ 271,789	\$ 255,186	\$ 191,501	\$ 153,890
Contributions in relation to the contractually required Town contribution	<u>684,928</u>	<u>291,177</u>	<u>284,545</u>	<u>279,839</u>	<u>271,789</u>	<u>255,186</u>	<u>191,501</u>	<u>153,890</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Town covered payroll	<u>\$ 127,237,456</u>	<u>\$ 17,553,761</u>	<u>\$ 17,135,908</u>	<u>\$ 16,861,444</u>	<u>\$ 16,392,069</u>	<u>\$ 15,373,489</u>	<u>\$ 13,944,152</u>	<u>\$ 13,121,419</u>
Contributions as a percentage of Town covered payroll	<u>0.54%</u>	<u>1.66%</u>	<u>1.66%</u>	<u>1.66%</u>	<u>1.66%</u>	<u>1.66%</u>	<u>1.37%</u>	<u>1.17%</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.

**TOWN OF JUPITER, FLORIDA**

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**

**LAST FOUR FISCAL YEARS**

	Measurement Date September 30,			
	2021	2020	2019	2018
<b>Total OPEB Liability</b>				
Service cost	\$ 78,290	\$ 64,501	\$ 174,529	\$ 167,430
Interest	28,387	140,341	135,725	118,110
Changes of benefit terms	--	--	--	--
Differences between expected and actual experience	(57,763)	(2,247,613)	--	--
Changes in assumptions and other inputs	(5,382)	78,844	--	(209,355)
Benefit payments	<u>(116,035)</u>	<u>(35,227)</u>	<u>(147,509)</u>	<u>(124,180)</u>
<b>Net Change in Total OPEB Liability</b>	(72,503)	(1,999,154)	162,745	(47,995)
<b>Total OPEB liability - Beginning of Fiscal Year</b>	<u>1,263,876</u>	<u>3,263,030</u>	<u>3,100,285</u>	<u>3,148,280</u>
<b>Total OPEB liability - End of Fiscal Year</b>	<u>\$ 1,191,373</u>	<u>\$ 1,263,876</u>	<u>\$ 3,263,030</u>	<u>\$ 3,100,285</u>
<b>Town Covered Employee Payroll</b>	<u>\$ 27,745,096</u>	<u>\$ 29,850,528</u>	<u>\$ 28,776,378</u>	<u>\$ 27,676,807</u>
<b>Total OPEB Liability as a Percentage of Town Covered Employee Payroll</b>	<u>4.30%</u>	<u>4.20%</u>	<u>11.30%</u>	<u>11.20%</u>

**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:

2021	2.43%
2020	2.21%
2019	4.24%
2018	4.24%

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

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## NONMAJOR GOVERNMENTAL FUND

**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.

*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.

*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 \$3,380,000 General Obligation Bonds, (Land Acquisition Bonds), Series 2021 and \$4,505,858 General Obligation Bonds, (Refunding Bonds), Series 2021.

**TOWN OF JUPITER, FLORIDA**

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2021**

	Special Revenue							Debt Service	Total Nonmajor Governmental Funds
	Road Impact Fee Fund	Recreation Impact Fee Fund	Police Impact Fee Fund	Law Enforcement Grant Fund	Law Enforcement Fund	Infrastructure Surtax Fund	Workforce Housing Trust Fund	Debt Service Fund	
<b>Assets</b>									
Cash and cash equivalents	\$ 3,032,527	\$ 494,921	\$ 1,050	\$ --	\$ 177,717	\$ 7,465,755	\$ 2,067,671	\$ 548,405	\$ 13,788,046
Investments	792,415	185,394	16,116	--	--	--	--	--	993,925
Accounts receivable	--	--	--	--	--	--	--	1,029	1,029
<b>Total Assets</b>	<u>\$ 3,824,942</u>	<u>\$ 680,315</u>	<u>\$ 17,166</u>	<u>\$ --</u>	<u>\$ 177,717</u>	<u>\$ 7,465,755</u>	<u>\$ 2,067,671</u>	<u>\$ 549,434</u>	<u>\$ 14,783,000</u>
<b>Liabilities and Fund Balances</b>									
Liabilities									
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Unearned revenue	--	--	--	--	--	--	--	--	--
Due to other funds	--	--	--	--	--	--	--	--	--
Deposits	--	--	--	--	--	--	--	--	--
<b>Total Liabilities</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balances</b>									
Restricted for:									
Debt service	--	--	--	--	--	--	--	549,434	549,434
Capital projects	3,824,942	680,315	--	--	--	7,465,755	2,067,671	--	14,038,683
Law enforcement	--	--	17,166	--	177,717	--	--	--	194,883
<b>Total Fund Balances</b>	<u>3,824,942</u>	<u>680,315</u>	<u>17,166</u>	<u>--</u>	<u>177,717</u>	<u>7,465,755</u>	<u>2,067,671</u>	<u>549,434</u>	<u>14,783,000</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,824,942</u>	<u>\$ 680,315</u>	<u>\$ 17,166</u>	<u>\$ --</u>	<u>\$ 177,717</u>	<u>\$ 7,465,755</u>	<u>\$ 2,067,671</u>	<u>\$ 549,434</u>	<u>\$ 14,783,000</u>

**TOWN OF JUPITER, FLORIDA**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Special Revenue						Debt Service	Total Nonmajor Governmental Funds	
	Road Impact Fee Fund	Recreation Impact Fee Fund	Police Impact Fee Fund	Law Enforcement Grant Fund	Law Enforcement Fund	Infrastructure Surtax Fund	Workforce Housing Trust Fund		Debt Service Fund
<b>Revenues</b>									
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,169,350	\$ 2,169,350
Impact fees	76,091	104,222	8,857	--	--	--	--	--	189,170
Intergovernmental	--	--	--	8,604	--	4,887,964	--	--	4,896,568
Investment earnings	1,255	294	34	--	--	--	--	--	1,583
Miscellaneous	--	--	--	--	25,290	--	238,941	--	264,231
<b>Total Revenues</b>	<u>77,346</u>	<u>104,516</u>	<u>8,891</u>	<u>8,604</u>	<u>25,290</u>	<u>4,887,964</u>	<u>238,941</u>	<u>2,169,350</u>	<u>7,520,902</u>
<b>Expenditures</b>									
Current									
Public safety	--	--	--	8,604	10,563	--	--	--	19,167
Debt service									
Principal	--	--	--	--	--	--	--	6,320,000	6,320,000
Interest and fiscal charges	--	--	--	--	--	--	--	329,181	329,181
<b>Total Expenditures</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>8,604</u>	<u>10,563</u>	<u>--</u>	<u>--</u>	<u>6,649,181</u>	<u>6,668,348</u>
<b>Revenues Over (Under) Expenditures</b>	<u>77,346</u>	<u>104,516</u>	<u>8,891</u>	<u>--</u>	<u>14,727</u>	<u>4,887,964</u>	<u>238,941</u>	<u>(4,479,831)</u>	<u>852,554</u>
<b>Other Financing Uses</b>									
<b>Sources (Uses)</b>									
Transfers in	--	--	--	--	--	--	--	23,208	23,208
Proceeds from the issuance of debt	--	--	--	--	--	--	--	4,505,858	4,505,858
Transfers out	(37,184)	--	--	--	--	(350,000)	--	--	(387,184)
<b>Total Other Financing Uses</b>	<u>(37,184)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(350,000)</u>	<u>--</u>	<u>4,529,066</u>	<u>4,141,882</u>
<b>Net Change in Fund Balances</b>	40,162	104,516	8,891	--	14,727	4,537,964	238,941	49,235	4,994,436
<b>Fund Balances - Beginning of Year</b>	<u>3,784,780</u>	<u>575,799</u>	<u>8,275</u>	<u>--</u>	<u>162,990</u>	<u>2,927,791</u>	<u>1,828,730</u>	<u>500,199</u>	<u>9,788,564</u>
<b>Fund Balances - Ending of Year</b>	<u>\$ 3,824,942</u>	<u>\$ 680,315</u>	<u>\$ 17,166</u>	<u>\$ --</u>	<u>\$ 177,717</u>	<u>\$ 7,465,755</u>	<u>\$ 2,067,671</u>	<u>\$ 549,434</u>	<u>\$ 14,783,000</u>

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**BUDGETARY COMPARISON SCHEDULES**

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**TOWN OF JUPITER, FLORIDA**

**BUDGETARY COMPARISON SCHEDULE -  
DEBT SERVICE FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenue</b>				
Taxes	\$ 2,143,370	\$ 2,143,370	\$ 2,169,350	\$ 25,980
<b>Total Revenue</b>	<u>2,143,370</u>	<u>2,143,370</u>	<u>2,169,350</u>	<u>25,980</u>
<b>Expenditures</b>				
Principal retirement	1,870,000	1,870,000	6,320,000	(4,450,000)
Interest and fiscal charges	<u>273,370</u>	<u>273,370</u>	<u>329,181</u>	<u>(55,811)</u>
<b>Total Expenditures</b>	<u>2,143,370</u>	<u>2,143,370</u>	<u>6,649,181</u>	<u>(4,505,811)</u>
<b>Excess of Revenues (Under) Expenditures</b>	<u>          --</u>	<u>          --</u>	<u>(4,479,831)</u>	<u>4,531,791</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	--	--	23,208	23,208
Proceeds from the issuance of debt	<u>          --</u>	<u>          --</u>	<u>4,505,858</u>	<u>          --</u>
<b>Total Other Financing Sources (Uses)</b>	<u>          --</u>	<u>          --</u>	<u>4,529,066</u>	<u>23,208</u>
<b>Net Change in Fund Balance</b>	<u>\$          --</u>	<u>\$          --</u>	<u>\$ 49,235</u>	<u>\$(4,479,831)</u>

**TOWN OF JUPITER, FLORIDA**

**BUDGETARY COMPARISON SCHEDULE -  
CAPITAL IMPROVEMENTS FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 4,071,496	\$ 4,071,496	\$ 4,238,841	\$ 167,345
Intergovernmental	530,000	3,200,124	209,348	(2,990,776)
Investment earnings	--	--	51,755	51,755
Donations	--	1,300,000	1,344,186	44,186
Miscellaneous	<u>393,342</u>	<u>11,902,551</u>	<u>170,369</u>	<u>(11,732,182)</u>
<b>Total Revenues</b>	<u>4,994,838</u>	<u>20,474,171</u>	<u>6,014,499</u>	<u>(14,459,672)</u>
<b>Expenditures</b>				
<b>General Government</b>				
Operating expenditures	417,370	1,415,542	197,620	1,217,922
Capital outlay	--	115,197	--	115,197
	<u>417,370</u>	<u>1,530,739</u>	<u>197,620</u>	<u>1,333,119</u>
<b>Public Safety</b>				
Operating expenditures	--	--	--	--
<b>Engineering and Public Works</b>				
Operating expenditures	1,675,000	2,934,547	953,228	1,981,319
Capital outlay	<u>3,306,000</u>	<u>12,425,934</u>	<u>2,249,269</u>	<u>10,176,665</u>
	<u>4,981,000</u>	<u>15,360,481</u>	<u>3,202,497</u>	<u>12,157,984</u>
<b>Culture and Recreation</b>				
Operating expenditures	475,000	3,079,284	1,355,107	1,724,177
Capital outlay	<u>1,352,468</u>	<u>4,422,548</u>	<u>1,444,171</u>	<u>2,978,377</u>
	<u>1,827,468</u>	<u>7,501,832</u>	<u>2,799,278</u>	<u>4,702,554</u>
<b>Total Expenditures</b>	<u>7,225,838</u>	<u>24,393,052</u>	<u>6,199,395</u>	<u>18,193,657</u>
<b>Excess (deficiency) of Revenues Over Expenditures</b>	<u>(2,231,000)</u>	<u>(3,918,881)</u>	<u>(184,896)</u>	<u>3,733,985</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,231,000	3,918,881	1,744,641	(2,174,240)
Transfers out	--	--	(119,500)	(119,500)
<b>Total Other Financing Sources (Uses)</b>	<u>2,231,000</u>	<u>3,918,881</u>	<u>1,625,141</u>	<u>(2,293,740)</u>
<b>Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,440,245</u>	<u>\$ 1,440,245</u>

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## **STATISTICAL SECTION**

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# STATISTICAL SECTION

## TABLE OF CONTENTS

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

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<i>These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.</i>	
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<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.....	127-128
<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 .....	129-133
<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 annual comprehensive financial reports for the relevant year.

**TOWN OF JUPITER, FLORIDA**

**NET POSITION BY COMPONENT**

**LAST TEN FISCAL YEARS  
ACCRUAL BASIS OF ACCOUNTING**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 64,292,660	\$ 67,755,359	\$ 74,609,024	\$ 87,178,931	\$ 91,245,314	\$ 94,709,390	\$ 98,251,923	\$ 106,249,231	\$ 122,991,581	\$ 122,756,875
Restricted	4,860,324	5,764,100	5,108,494	6,015,406	6,386,483	11,095,413	16,120,792	12,163,652	11,681,972	21,410,565
Unrestricted	30,580,833	36,068,411	38,821,882	27,416,016	29,702,275	26,363,894	27,480,540	43,428,914	39,146,657	46,198,725
<b>Total Governmental Activities Net Position</b>	<b>99,733,817</b>	<b>109,587,870</b>	<b>118,539,400</b>	<b>120,610,353</b>	<b>127,334,072</b>	<b>132,168,697</b>	<b>141,853,255</b>	<b>161,841,797</b>	<b>173,820,210</b>	<b>190,366,165</b>
<b>Business-Type Activities</b>										
Net investment in capital assets	176,555,586	178,559,717	184,306,940	194,307,099	191,909,758	194,047,350	197,010,656	201,690,198	201,924,395	204,119,930
Restricted	4,624,949	2,796,683	10,582,761	9,106,898	8,025,089	6,894,379	4,167,642	4,539,226	--	--
Unrestricted	39,501,057	54,289,023	54,651,166	60,253,357	74,453,424	82,802,676	94,176,869	95,266,944	106,162,128	115,545,576
<b>Total Business-Type Activities Net Position</b>	<b>220,681,592</b>	<b>235,645,423</b>	<b>249,540,867</b>	<b>263,667,354</b>	<b>274,388,271</b>	<b>283,744,405</b>	<b>295,355,167</b>	<b>301,496,368</b>	<b>308,086,523</b>	<b>319,665,506</b>
<b>Primary Government</b>										
Net investment in capital assets	240,848,246	246,315,076	258,915,964	281,486,030	283,155,072	288,756,740	295,262,579	307,939,429	324,915,976	326,876,805
Restricted	9,485,273	8,560,783	15,691,255	15,122,304	14,411,572	17,989,792	20,288,434	16,702,878	11,681,972	21,410,565
Unrestricted	70,081,890	90,357,434	93,473,048	87,669,373	104,155,699	109,166,570	121,657,409	138,695,858	145,308,785	161,744,301
<b>Total Primary Government Net Position</b>	<b>\$ 320,415,409</b>	<b>\$ 345,233,293</b>	<b>\$ 368,080,267</b>	<b>\$ 384,277,707</b>	<b>\$ 401,722,343</b>	<b>\$ 415,913,102</b>	<b>\$ 437,208,422</b>	<b>\$ 463,338,165</b>	<b>\$ 481,906,733</b>	<b>\$ 510,031,671</b>

**TOWN OF JUPITER, FLORIDA**

**CHANGES IN NET POSITION**

**LAST TEN FISCAL YEARS**

**ACCRUAL BASIS OF ACCOUNTING**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities:										
General government	\$ 16,091,515	\$ 14,933,432	\$ 16,024,110	\$ 16,637,105	\$ 18,477,434	\$ 19,564,860	\$ 19,391,006	\$ 19,486,317	\$ 20,602,900	\$ 20,812,119
Public safety	17,729,810	18,331,070	18,887,625	18,935,949	21,699,238	22,658,014	23,181,411	24,691,487	23,956,385	20,268,334
Engineering and public works	6,442,702	7,248,818	7,093,266	6,871,853	7,956,044	9,117,025	9,478,260	9,981,890	9,601,528	9,528,337
Culture and recreation	3,016,009	3,093,620	3,455,019	3,301,828	3,450,245	4,257,500	4,041,480	4,401,313	3,800,581	4,211,506
Interest on long-term debt	1,239,033	1,485,453	1,122,371	951,755	901,567	860,839	761,846	652,880	533,471	450,368
<b>Total Governmental Activities Expenses</b>	<b>44,519,069</b>	<b>45,092,393</b>	<b>46,582,391</b>	<b>46,698,490</b>	<b>52,484,528</b>	<b>56,458,238</b>	<b>56,854,003</b>	<b>59,213,887</b>	<b>58,494,865</b>	<b>55,270,664</b>
Business-type activities:										
Water system	18,403,380	18,610,942	18,222,704	18,616,320	19,967,372	21,635,338	22,048,888	22,595,973	23,356,881	22,947,236
Stormwater	1,718,311	2,181,847	1,893,252	2,041,882	2,195,891	2,398,659	2,370,650	2,846,895	2,943,687	2,969,055
Building	1,957,962	2,183,139	3,076,617	3,080,687	3,447,445	3,458,772	3,751,616	4,108,850	4,544,896	3,464,327
<b>Total Business-Type activities Expenses</b>	<b>22,079,653</b>	<b>22,975,928</b>	<b>23,192,573</b>	<b>23,738,889</b>	<b>25,610,708</b>	<b>27,492,769</b>	<b>28,171,154</b>	<b>29,551,718</b>	<b>30,845,464</b>	<b>29,380,618</b>
<b>Total Primary Government Expenses</b>	<b>66,598,722</b>	<b>68,068,321</b>	<b>69,774,964</b>	<b>70,437,379</b>	<b>78,095,236</b>	<b>83,951,007</b>	<b>85,025,157</b>	<b>88,765,605</b>	<b>89,340,329</b>	<b>84,651,282</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	3,628,914	1,979,330	2,019,811	2,199,978	2,115,287	2,280,076	2,610,230	2,462,897	3,319,433	3,637,331
Public safety	411,540	1,425,790	955,659	731,150	439,092	660,870	541,365	876,948	672,072	265,262
Engineering and public works	3,834,291	4,056,816	4,004,341	4,439,702	4,373,961	4,613,018	4,796,872	5,089,779	5,033,024	5,610,775
Culture and recreation	1,268,445	1,110,597	1,237,217	1,298,872	1,144,715	1,181,827	1,265,177	1,342,961	327,977	601,476
Operating contributions and grants:										
General government	542,843	410,317	353,933	812,132	2,613,490	648,254	1,194,767	517,950	411,956	1,784,967
Public safety	774,117	539,098	648,631	623,633	786,588	712,653	818,723	949,002	1,094,531	80,609
Engineering and public works	615,530	351,944	295,946	299,076	216,381	599,375	233,032	745,204	1,849,171	853,569
Culture and recreation	--	--	--	1,100	--	--	4,943	--	--	--
Capital contributions and grants:										
General government	47,489	3,164,600	5,105,599	8,065,791	1,903,824	541,618	2,916,987	3,693,575	90,966	204,325
Public safety	145,885	105,781	57,829	53,243	28,897	44,671	23,783	29,227	894,252	140,785
Engineering and public works	315,544	1,100,924	705,201	530,462	459,745	405,721	313,648	397,096	161,675	22,517
Culture and recreation	648,609	813,965	618,173	311,460	234,716	199,466	132,179	222,852	58,264	104,222
<b>Total Governmental Activities Program Revenues</b>	<b>12,233,207</b>	<b>15,059,162</b>	<b>16,002,340</b>	<b>19,366,599</b>	<b>14,316,696</b>	<b>11,887,549</b>	<b>14,851,706</b>	<b>16,327,491</b>	<b>13,913,321</b>	<b>13,305,838</b>
Business-type activities:										
Charges for services:										
Water system	21,000,147	22,440,834	22,265,341	23,755,364	25,136,478	26,589,627	26,359,138	27,626,343	27,027,704	28,253,897
Stormwater	2,312,723	2,271,598	2,333,048	2,778,836	2,678,185	2,613,792	2,940,150	3,178,624	3,216,793	3,714,856
Building	3,489,761	7,059,912	5,914,206	4,579,262	3,921,256	4,017,180	5,329,430	5,349,574	4,306,407	5,714,786
Operating contributions and grants:										
Water system	18,679	221,108	--	--	--	435,240	49,823	18,734	288,703	33,832
Stormwater	--	--	--	--	--	--	197,383	21,566	32,144	--
Building	--	--	--	--	--	--	--	--	4,890	--
Capital contributions and grants:										
Water system	2,029,850	5,071,628	4,105,092	3,781,603	2,458,583	2,421,140	2,142,384	1,434,266	1,373,557	2,404,493
	332,642	527,300	2,161,775	5,755,572	1,538,772	273,840	2,202,305	1,434,280	17,000	388,321
<b>Total Business-Type activities Program Revenues</b>	<b>29,183,802</b>	<b>37,592,380</b>	<b>36,779,462</b>	<b>40,650,637</b>	<b>35,733,274</b>	<b>36,350,819</b>	<b>39,220,613</b>	<b>39,063,387</b>	<b>36,267,198</b>	<b>40,510,185</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 41,417,009</b>	<b>\$ 52,651,542</b>	<b>\$ 52,781,802</b>	<b>\$ 60,017,236</b>	<b>\$ 50,049,970</b>	<b>\$ 48,238,368</b>	<b>\$ 54,072,319</b>	<b>\$ 55,390,878</b>	<b>\$ 50,180,519</b>	<b>\$ 53,816,023</b>

**TOWN OF JUPITER, FLORIDA**  
**CHANGES IN NET POSITION (CONTINUED)**

**LAST TEN FISCAL YEARS**  
**ACCRUAL BASIS OF ACCOUNTING**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (32,285,862)	\$ (30,033,231)	\$ (30,580,051)	\$ (27,361,891)	\$ (38,167,832)	\$ (44,570,689)	\$ (42,002,297)	\$ (42,886,396)	\$ (44,581,544)	\$ (41,964,826)
Business-type activities	7,104,149	14,616,452	13,586,889	16,911,748	10,122,569	8,858,050	11,049,459	9,511,669	5,421,734	11,129,567
<b>Total Primary Government Net Expense</b>	<u>(25,181,713)</u>	<u>(15,416,779)</u>	<u>(16,993,162)</u>	<u>(10,450,143)</u>	<u>(28,045,263)</u>	<u>(35,712,639)</u>	<u>(30,952,838)</u>	<u>(33,374,727)</u>	<u>(39,159,810)</u>	<u>(30,835,259)</u>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Taxes:										
Property taxes	19,919,566	20,150,640	20,884,758	22,321,359	24,582,705	26,376,117	27,999,283	29,327,134	30,708,041	31,944,223
Franchise fees	4,273,931	4,182,628	4,529,052	4,708,567	4,666,753	4,555,475	4,780,075	4,796,053	4,685,329	4,833,111
Public service taxes	3,751,163	3,967,109	4,340,039	4,521,728	4,717,433	4,872,381	4,963,194	5,082,420	5,070,326	5,187,400
Communications services taxes	3,051,291	2,830,528	2,801,452	2,712,314	2,610,258	2,527,223	2,627,795	2,604,323	2,627,216	2,509,229
Sales taxes	3,596,953	3,793,323	4,111,083	4,381,431	4,521,600	6,965,372	9,231,139	9,475,646	8,986,318	10,267,047
Gas taxes	1,133,849	1,146,761	1,202,381	1,280,924	1,325,773	1,394,012	1,385,729	1,402,154	1,251,589	1,297,878
Intergovernmental, unrestricted	1,157,751	1,329,434	1,487,636	1,652,844	1,729,267	1,861,678	1,963,607	2,051,360	1,864,802	2,224,134
Impact fees	--	--	--	--	--	--	--	--	--	189,170
Investment earnings	469,158	652,258	275,260	921,474	742,188	853,056	1,028,793	2,901,309	1,353,660	266,966
Other	41,102	2,284,727		47,042	--	--	--	--	33,926	(88,877)
Transfers	100,883	(298,952)	(100,080)	(52,500)	(4,426)	--	157,168	5,234,539	(21,250)	(119,500)
<b>Total Governmental Activities</b>	<u>37,495,647</u>	<u>40,038,456</u>	<u>39,531,581</u>	<u>42,495,183</u>	<u>44,891,551</u>	<u>49,405,314</u>	<u>54,136,783</u>	<u>62,874,938</u>	<u>56,559,957</u>	<u>58,510,781</u>
Business-type activities:										
Investment earnings	380,824	215,677	204,322	415,747	--	--	--	--	--	--
Gain on disposal of capital assets	7,192	--	4,153	2,868	589,855	498,084	964,703	1,859,551	1,143,045	329,916
Transfers	(100,883)	298,952	100,080	52,500	4,067	--	4,120	4,520	4,126	119,500
<b>Total Business-Type Activities</b>	<u>287,133</u>	<u>514,629</u>	<u>308,555</u>	<u>471,115</u>	<u>593,922</u>	<u>498,084</u>	<u>968,823</u>	<u>1,864,071</u>	<u>1,147,171</u>	<u>449,416</u>
<b>Total Primary Government</b>	<u>37,782,780</u>	<u>40,553,085</u>	<u>39,840,136</u>	<u>42,966,298</u>	<u>45,485,473</u>	<u>49,903,398</u>	<u>55,105,606</u>	<u>64,739,009</u>	<u>57,707,128</u>	<u>58,960,197</u>
<b>Changes in Net Assets</b>										
Governmental activities	5,209,785	10,005,225	8,951,530	15,133,292	6,723,719	4,834,625	12,134,486	19,988,542	11,978,413	16,545,955
Business-type activities	7,391,282	15,131,081	13,895,444	17,382,863	10,720,917	9,356,134	11,861,114	6,141,201	6,590,155	11,578,983
<b>Total Primary Government</b>	<u>\$ 12,601,067</u>	<u>\$ 25,136,306</u>	<u>\$ 22,846,974</u>	<u>\$ 32,516,155</u>	<u>\$ 17,444,636</u>	<u>\$ 14,190,759</u>	<u>\$ 23,995,600</u>	<u>\$ 26,129,743</u>	<u>\$ 18,568,568</u>	<u>\$ 28,124,938</u>

# TOWN OF JUPITER, FLORIDA

## GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

### LAST TEN FISCAL YEARS ACCRUAL BASIS OF ACCOUNTING

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<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Franchise Fees</u>	<u>Public Service Taxes</u>	<u>Communications Services Taxes</u>	<u>Sales Taxes</u>	<u>Gas Taxes</u>	<u>Total</u>
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
2020	30,708,041	4,685,329	5,070,326	2,627,216	8,986,318	1,251,589	53,328,819
2021	31,944,223	4,833,111	5,187,400	2,509,229	10,267,047	1,297,878	56,038,888

**TOWN OF JUPITER, FLORIDA**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS  
MODIFIED ACCRUAL BASIS OF ACCOUNTING**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund</b>										
Nonspendable:										
Inventory	\$ 55,682	\$ 55,551	\$ 58,469	\$ 62,610	\$ 66,005	\$ 83,445	\$ 29,760	\$ 20,970	\$ 19,181	\$ 14,003
Prepaid items	74,758	106,594	68,699	16,937	10,997	22,948	13,991	18,025	224,859	3,722
Advance due from other fund	7,210,178	6,837,333	7,005,093	7,141,327	5,957,885	5,901,436	5,009,196	4,908,899	4,108,899	3,608,899
Note receivable	4,795	14,000	280,349	201,173	171,173	111,173	111,173	111,173	111,173	111,173
Restricted for:										
Law enforcement	102,862	396,824	442,379	616,188	509,748	823,659	471,525	475,935	67,733	97,800
Economic development	1,825,000	1,240,000	128,750	1,055,891	1,163,147	1,520,195	1,039,623	1,800,720	1,825,675	1,848,970
Assigned to:										
Subsequent year's budget	437,249	437,249	563,478	936,613	--	--	228,823	--	--	--
Health insurance	350,000	350,000	--	--	--	--	--	--	--	--
Unassigned	<u>16,197,279</u>	<u>19,384,430</u>	<u>24,281,146</u>	<u>26,918,797</u>	<u>31,856,248</u>	<u>29,676,802</u>	<u>33,412,574</u>	<u>39,570,998</u>	<u>45,539,373</u>	<u>51,333,641</u>
<b>Total General Fund</b>	<u>26,257,803</u>	<u>28,821,981</u>	<u>32,828,363</u>	<u>36,949,536</u>	<u>39,735,203</u>	<u>38,139,658</u>	<u>40,316,665</u>	<u>46,906,720</u>	<u>51,896,893</u>	<u>57,018,208</u>
<b>All Other Governmental Funds</b>										
Nonspendable:										
Prepaid items	25,000	--	480	--	--	--	--	2,966	--	395
Advance due from other fund	--	--	--	--	--	--	--	--	1,164,088	993,011
Note receivable	--	--	--	--	--	--	--	74,087	74,087	--
Restricted for:										
Debt service	1,351,853	1,356,700	1,391,468	1,460,655	1,523,685	1,565,663	2,002,353	2,029,608	500,199	549,434
Capital projects	2,139,789	3,613,705	3,897,102	3,583,629	3,939,363	7,708,287	12,962,802	8,148,311	9,117,100	14,038,683
Law enforcement	535,206	253,257	331,676	409,221	247,577	259,512	145,212	209,801	171,265	194,883
Special projects	--	--	--	--	--	--	--	--	--	--
Assigned to:										
Capital projects	13,182,091	15,282,563	14,754,007	13,615,890	13,859,274	14,157,056	16,307,489	28,998,901	18,946,806	20,558,128
Unassigned Special Revenue										
Funds (deficit)	<u>(4,119,280)</u>	<u>(3,830,602)</u>	<u>(5,000,627)</u>	<u>(5,218,611)</u>	<u>(4,354,660)</u>	<u>(4,115,803)</u>	<u>(4,720,286)</u>	<u>(4,696,887)</u>	<u>(3,894,193)</u>	<u>(2,986,968)</u>
<b>Total All Other Governmental Funds</b>	<u>\$ 13,114,659</u>	<u>\$ 16,675,623</u>	<u>\$ 15,374,106</u>	<u>\$ 13,850,784</u>	<u>\$ 15,215,239</u>	<u>\$ 19,574,715</u>	<u>\$ 26,697,570</u>	<u>\$ 34,766,787</u>	<u>\$ 26,079,352</u>	<u>\$ 33,347,566</u>

**TOWN OF JUPITER, FLORIDA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**MODIFIED ACCRUAL BASIS OF ACCOUNTING**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Taxes	\$ 27,855,869	\$ 28,095,038	\$ 29,228,630	\$ 30,836,325	\$ 33,236,169	\$ 35,169,733	\$ 36,976,001	\$ 38,416,031	\$ 39,657,172	\$ 40,938,730
Franchise fees	4,273,931	4,182,628	4,529,052	4,708,567	4,666,753	4,555,475	4,780,075	4,796,053	4,685,329	4,833,111
Licenses and permits	1,239,148	2,544,020	2,016,519	1,533,911	1,066,601	1,171,336	1,180,932	979,343	707,491	762,304
Intergovernmental	8,198,174	6,291,091	6,615,107	7,635,751	9,510,011	9,773,878	12,309,014	12,830,540	14,340,018	13,736,370
Charges for services	6,225,043	6,256,912	6,654,078	7,301,741	7,417,420	7,617,007	8,098,492	8,968,660	8,614,311	8,922,017
Fines and forfeitures	244,539	1,260,301	809,176	588,992	275,109	492,517	317,617	217,147	188,464	452,487
Investment earnings	351,874	672,832	371,970	921,474	742,188	853,056	1,028,793	2,901,309	1,353,660	266,966
Donations	52,539	12,516	17,165	93,187	131,426	94,048	108,014	164,855	71,940	1,344,936
Miscellaneous	981,045	586,167	455,153	572,514	407,932	1,072,829	1,179,402	1,063,509	805,401	768,075
<b>Total Revenues</b>	<b>49,422,162</b>	<b>49,901,505</b>	<b>50,696,850</b>	<b>54,192,462</b>	<b>57,453,609</b>	<b>60,799,879</b>	<b>65,978,340</b>	<b>70,337,447</b>	<b>70,423,786</b>	<b>72,024,996</b>
<b>Expenditures</b>										
General government	14,747,654	13,356,935	14,241,177	14,755,838	15,764,985	17,212,029	16,923,247	16,495,149	16,581,794	17,996,107
Public safety	17,338,508	17,956,791	18,372,987	18,470,593	20,166,583	21,149,280	22,278,196	22,533,970	24,198,507	23,747,051
Engineering and public works	5,094,941	5,966,405	5,978,964	5,998,872	6,822,473	7,941,816	8,371,545	8,732,062	8,157,359	8,566,185
Culture and recreation	2,091,646	2,349,967	2,632,392	2,493,809	2,533,217	3,272,414	3,017,915	3,370,928	2,707,088	3,220,765
Capital outlay	4,196,777	2,740,398	3,832,247	6,609,289	4,766,872	5,125,886	2,952,087	6,466,306	19,225,974	7,095,842
Debt service										
Principal	2,023,714	2,080,000	7,491,528	2,308,667	2,386,459	2,479,478	2,562,727	2,666,210	2,764,931	6,320,000
Interest	1,234,683	1,494,976	1,145,325	990,831	912,340	873,015	774,820	667,431	548,680	481,371
<b>Total Expenditures</b>	<b>46,727,923</b>	<b>45,945,472</b>	<b>53,694,620</b>	<b>51,627,899</b>	<b>53,352,929</b>	<b>58,053,918</b>	<b>56,880,537</b>	<b>60,932,056</b>	<b>74,184,333</b>	<b>67,427,321</b>
<b>Revenues Over (Under) Expenditures</b>	<b>2,694,239</b>	<b>3,956,033</b>	<b>(2,997,770)</b>	<b>2,564,563</b>	<b>4,100,680</b>	<b>2,745,961</b>	<b>9,097,803</b>	<b>9,405,391</b>	<b>(3,760,547)</b>	<b>4,597,675</b>
<b>Other Financing Sources (Uses)</b>										
Issuance of refunding debt	--	--	5,270,000	--	--	--	--	--	--	7,885,858
Proceeds from sale of assets	51,969	2,851,749	31,145	80,788	53,868	17,970	44,891	19,342	84,535	73,497
Insurance recoveries	47,423	66,312	51,570	5,000	--	--	--	--	--	--
Other debt service costs	--	--	--	--	--	--	--	--	--	(48,001)
Transfers in	2,707,113	331,036	4,136,602	4,425,579	3,875,995	5,838,077	4,375,651	20,149,856	11,148,454	2,544,796
Transfers out	(2,606,230)	(3,629,988)	(4,236,682)	(4,478,079)	(3,877,421)	(5,838,077)	(4,218,483)	(14,915,317)	(11,169,704)	(2,664,296)
<b>Total Other Financing Sources (Uses)</b>	<b>200,275</b>	<b>(380,891)</b>	<b>5,252,635</b>	<b>33,288</b>	<b>52,442</b>	<b>17,970</b>	<b>202,059</b>	<b>5,253,881</b>	<b>63,285</b>	<b>7,791,854</b>
<b>Net Change in Fund Balances</b>	<b>\$ 2,894,514</b>	<b>\$ 3,575,142</b>	<b>\$ 2,254,865</b>	<b>\$ 2,597,851</b>	<b>\$ 4,153,122</b>	<b>\$ 2,763,931</b>	<b>\$ 9,299,862</b>	<b>\$ 14,659,272</b>	<b>\$ (3,697,262)</b>	<b>\$ 12,389,529</b>
<b>Debt Service as a Percentage of Non-Capital Expenditures</b>	<u>7.66%</u>	<u>8.27%</u>	<u>17.32%</u>	<u>7.33%</u>	<u>6.79%</u>	<u>6.33%</u>	<u>6.19%</u>	<u>6.12%</u>	<u>6.03%</u>	<u>11.27%</u>

**TOWN OF JUPITER, FLORIDA**

**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**

**LAST TEN FISCAL YEARS  
MODIFIED ACCRUAL BASIS OF ACCOUNTING**

Fiscal Year	Property Taxes (1)	Public Service Taxes	Communications Services Taxes	Gas Taxes	Total Taxes	Franchise Fees	Total
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
2020	30,708,041	5,070,326	2,627,216	1,251,589	39,657,172	4,685,329	44,342,501
2021	31,944,223	5,187,400	2,509,229	1,297,878	40,938,730	4,833,111	45,771,841

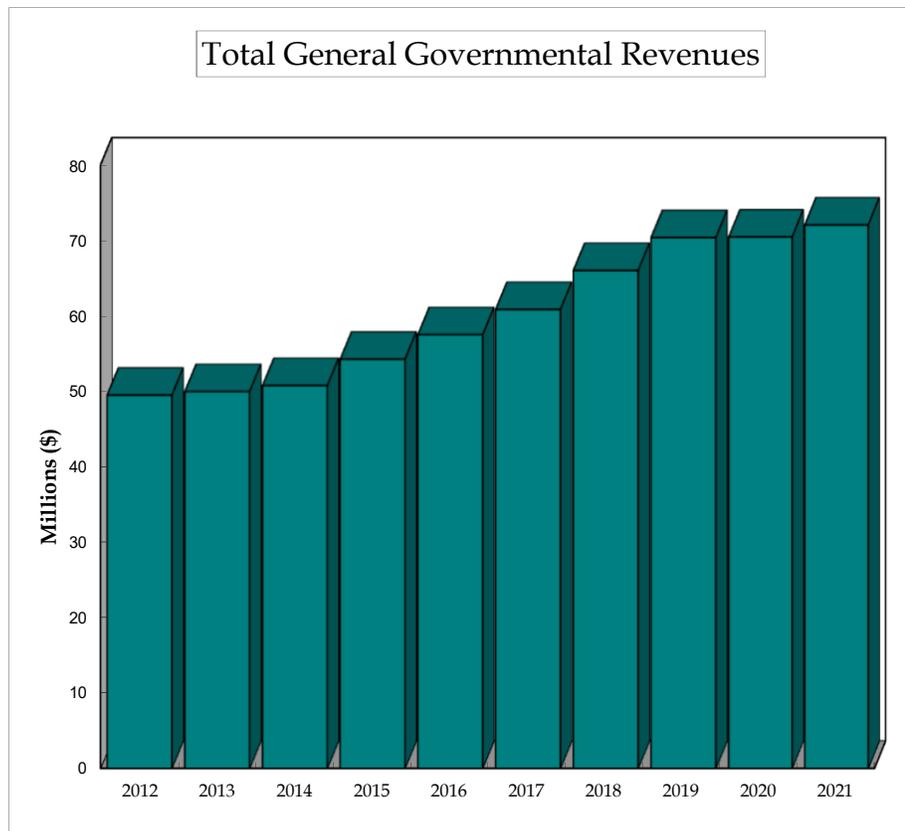
(1) Includes CRA tax increment revenues from the Town and Palm Beach County.

**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	Special Assessments	Miscellaneous	Total
2012	\$ 32,129,800	\$ 1,239,148	\$ 8,198,174	\$ 6,225,043	\$ 244,539	\$ 351,874	\$ --	\$ 1,033,584	\$ 49,422,162
2013	32,277,666	2,544,020	6,291,091	6,256,912	1,260,301	672,832	--	598,683	49,901,505
2014	33,757,682	2,016,519	6,615,107	6,654,078	809,176	371,970	--	472,318	50,696,850
2015	35,544,892	1,533,911	7,635,751	7,301,741	588,992	921,474	--	665,701	54,192,462
2016	37,902,922	1,066,601	9,510,011	7,417,420	275,109	742,188	--	539,358	57,453,609
2017	39,725,208	1,171,336	9,773,878	7,617,007	492,517	853,056	--	1,166,877	60,799,879
2018	41,756,076	1,180,932	12,309,014	8,098,492	317,617	1,028,793	--	1,287,416	65,978,340
2019	43,212,084	979,343	12,830,540	8,968,660	217,147	2,901,309	--	1,228,364	70,337,447
2020	44,342,501	707,491	14,340,018	8,614,311	188,464	1,353,660	--	877,341	70,423,786
2021	45,771,841	762,304	13,736,370	8,922,017	452,487	266,966	--	2,113,011	72,024,996

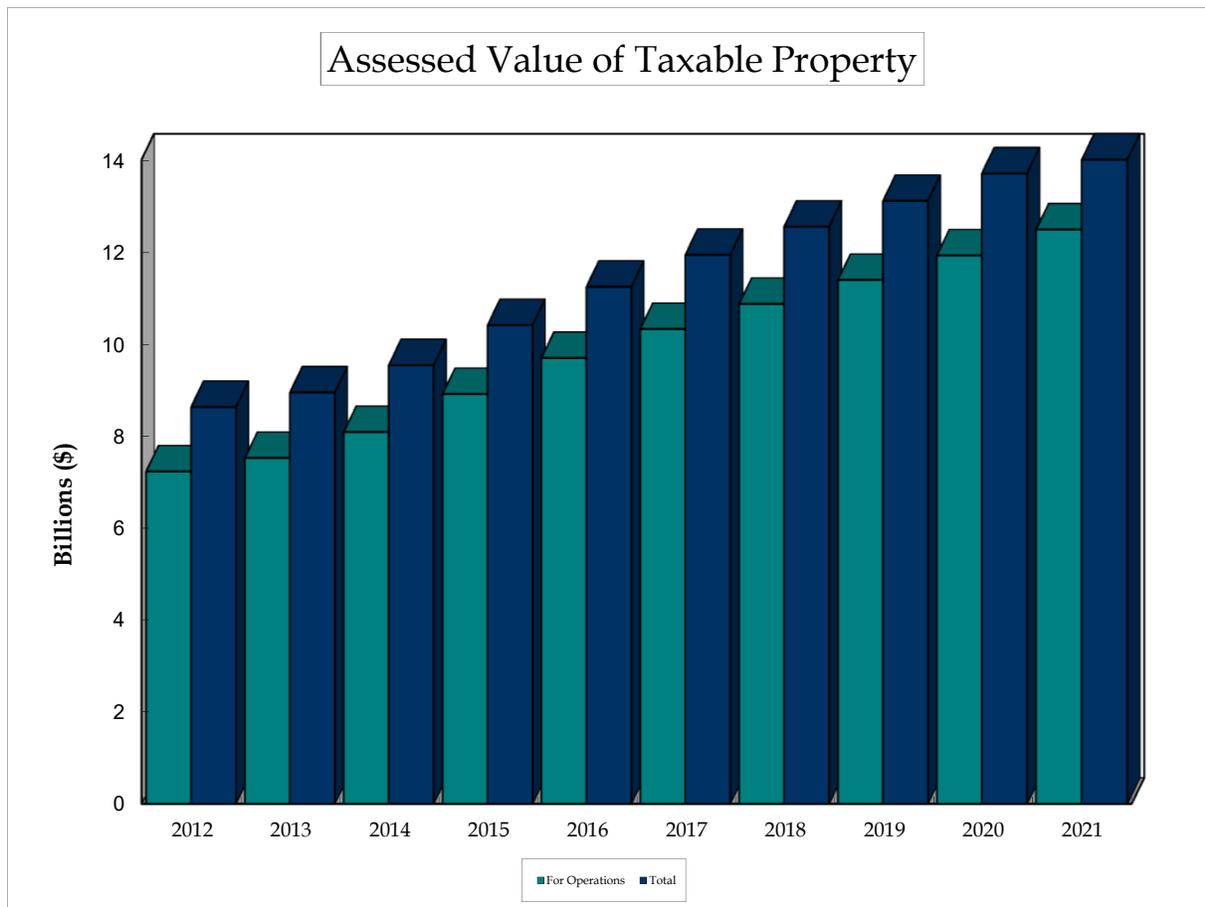


## TOWN OF JUPITER, FLORIDA

### ASSESSED VALUE OF TAXABLE PROPERTY

#### LAST TEN FISCAL YEARS MODIFIED ACCRUAL BASIS OF ACCOUNTING

Year	Real Property	Personal Property	Centrally Assessed Property	Exemptions	Assessed Value for Operations	Total Town Tax Rate	Total Taxable Value (1)
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
2020	13,341,314,232	358,916,726	2,029,787	1,780,635,673	11,921,625,072	2.6524	13,702,260,745
2021	13,929,871,921	363,343,424	2,082,535	1,808,832,565	12,486,465,315	2.6524	14,295,297,880



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

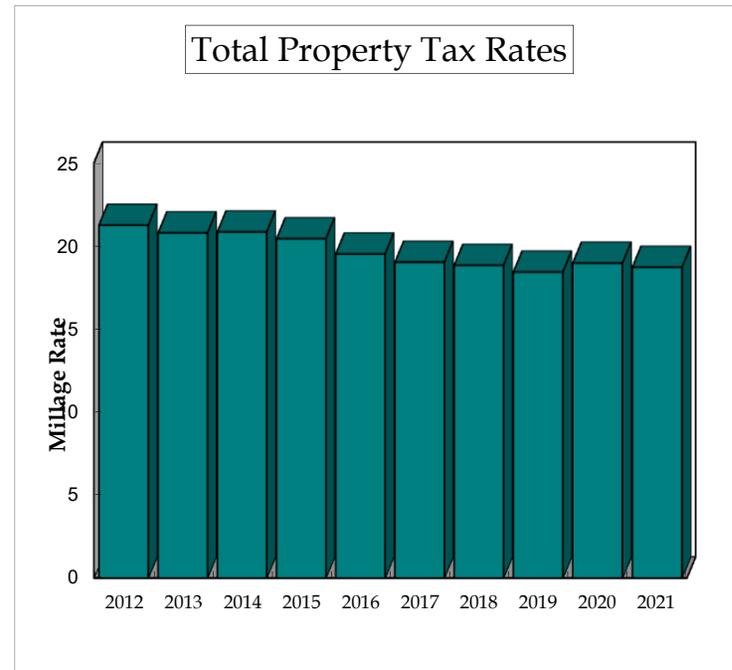
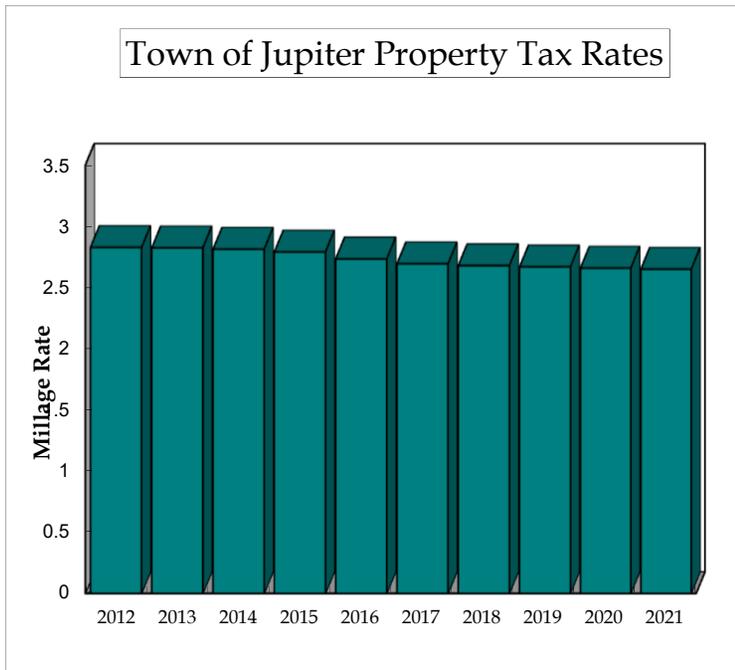
Source: Palm Beach County Property Appraiser

## 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			Overlapping Property Tax Rates - Palm Beach County School District				Total	
	Operating Millage	General		Operating Millage	General		Operating Millage	General		Total School Millage		County Special Districts
		Obligation Debt Service	Total Town Millage		Obligation Debt Service	Total County Millage		Obligation Debt Service	Total			
2012	2.5142	0.3153	2.8295	4.7815	0.2110	4.9925	8.180	-	8.180	5.2478	21.2498	
2013	2.5142	0.3120	2.8262	4.7815	0.2087	4.9902	7.778	-	7.778	5.1977	20.7921	
2014	2.5142	0.3010	2.8152	4.7815	0.2037	4.9852	7.586	-	7.586	5.4606	20.8470	
2015	2.5142	0.2785	2.7927	4.7815	0.1914	4.9729	7.594	-	7.594	5.0789	20.4385	
2016	2.4834	0.2530	2.7364	4.7815	0.1327	4.9142	7.070	-	7.070	4.7998	19.5204	
2017	2.4633	0.2330	2.6963	4.7815	0.1208	4.9023	6.769	-	6.769	4.6566	19.0242	
2018	2.4633	0.2182	2.6815	4.7815	0.1208	4.9023	6.769	-	6.769	4.4836	18.8364	
2019	2.4633	0.2079	2.6712	4.7815	0.1165	4.8980	6.572	-	6.572	4.2889	18.4301	
2020	2.4633	0.1978	2.6611	4.7815	0.0765	4.8580	7.164	-	7.164	4.2838	18.9669	
2021	2.4633	0.1891	2.6524	4.7815	0.0309	4.8124	7.010	-	7.010	4.2461	18.7209	



**TOWN OF JUPITER, FLORIDA**

**PRINCIPAL PROPERTY TAXPAYERS**

**CURRENT YEAR AND NINE YEARS AGO**

---

	2021		
	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Assessed Value for Operations</u>
Florida Power & Light Co	\$ 115,197,227	1	18.70%
Hart Abacoa LLC	89,671,665	2	14.55%
207 Florida Reality Associates LLC	75,275,054	3	12.22%
Northland Floresta LLC	70,208,614	4	11.39%
KMF X Jupiter LLC	61,977,393	5	10.06%
Harbourside Place LLC	54,600,000	6	8.86%
Club at Admirals Cove, Inc.	44,824,757	7	7.27%
PRCP Abacoa Investment LLC	38,710,226	8	6.28%
Jupiter Resort LLC	33,689,403	9	5.47%
Jupiter Rehab Realty Holdings, LLC	32,000,000	10	5.19%
Totals	<u>\$ 616,154,339</u>		<u>100.00%</u>

(Continued)

**Source:** Palm Beach County Property Appraiser.

# TOWN OF JUPITER, FLORIDA

## PRINCIPAL PROPERTY TAXPAYERS (CONTINUED)

### CURRENT YEAR AND NINE YEARS AGO

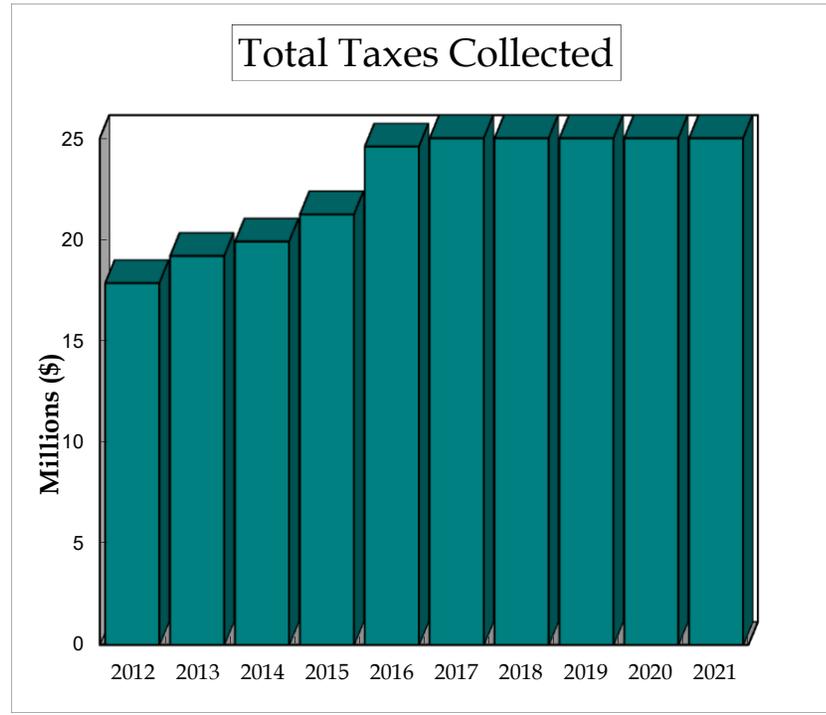
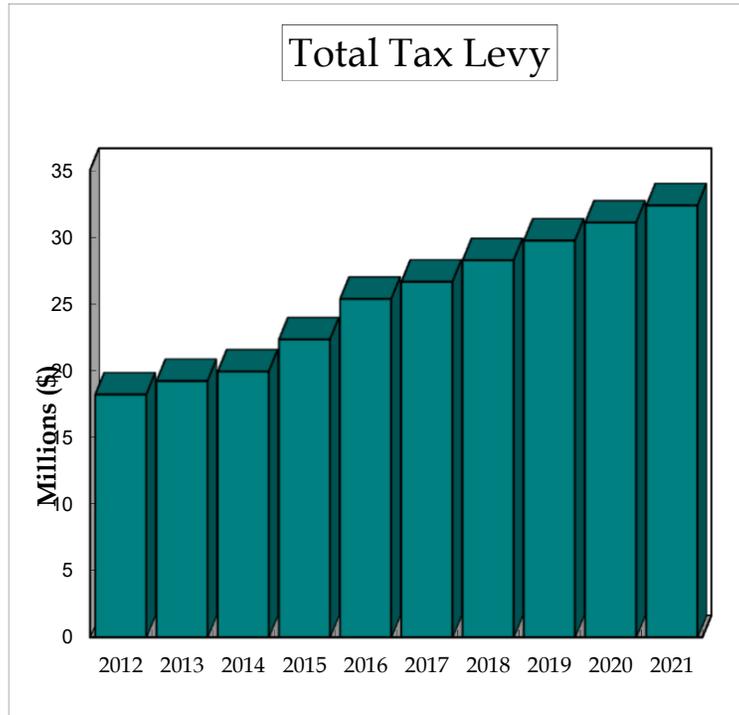
	2012		
	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Assessed Value for Operations</u>
Florida Power & Light Co	\$ 89,934,751	1	31.56%
RBF, LLC	52,502,000	2	18.42%
TGM Abacoa LLC	39,234,368	3	13.77%
TGM Floresta LLC	33,429,653	4	11.73%
Holiday Jupiter LLC	20,509,957	5	7.20%
Regency Centers LP	16,796,523	6	5.89%
Donross Associates	11,562,860	7	4.06%
Bears Club Founding Partners, Ltd.	9,791,637	8	3.44%
Divosta Homes, LP	6,407,149	9	2.25%
Workplace Florida, Ltd.	4,808,731	10	1.69%
	<u>\$ 284,977,629</u>		<u>100.00%</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	Ratio of Total Taxes Collected to Current Levy	Accumulated Delinquent Taxes	Ratio of Delinquent Taxes to Current Levy
2012	\$ 18,195,931	\$ 17,757,247	97.6	\$ 105,575	\$ 17,862,822	98.2	N/A	N/A
2013	19,212,570	19,155,824	99.7	42,563	19,198,387	99.9	N/A	N/A
2014	19,919,948	19,878,115	99.8	28,564	19,906,679	99.9	N/A	N/A
2015	22,321,359	21,209,368	95.0	36,709	21,246,077	95.2	N/A	N/A
2016	25,355,767	24,459,033	96.5	123,672	24,582,705	97.0	N/A	N/A
2017	26,641,448	26,338,234	98.9	37,883	26,376,117	99.0	N/A	N/A
2018	28,247,551	27,964,200	99.0	--	27,964,200	99.0	N/A	N/A
2019	29,722,342	29,321,830	98.7	5,304	29,327,134	98.7	N/A	N/A
2020	31,071,637	30,689,530	98.8	18,511	30,708,041	98.8	N/A	N/A
2021	32,349,608	31,934,486	98.7	9,738	31,944,224	98.7	N/A	N/A



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

**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)**

Fiscal Year	Governmental Activities						Business-type Activities			Primary Government				
	General Bonded Debt			Sales Tax Revenue Bonds	Capital Lease Obligations	Total Governmental Activities	Water Revenue Bonds	Stormwater Loan	Total Business-type Activities	Total Primary Government	Percentage of Total Taxable Value <sup>(2)</sup>		Percentage of Personal Income <sup>(3)</sup>	Per Capita <sup>(3)</sup>
	General Obligation Bonds, Net <sup>(1)</sup>	Percentage of Total Taxable Value <sup>(2)</sup> of Property	Per Capita <sup>(3)</sup>								of Property	of Property		
2012	\$ 18,554	21.5%	\$ 329	\$ 7,145	\$ --	\$ 25,699	\$ 35,960	270	\$ 36,230	\$ 61,929	0.72	82.07	\$ 1,099	
2013	17,236	19.3%	305	6,390	--	23,626	33,760	216	33,976	57,602	0.64	72.40	1,018	
2014	15,863	16.6%	277	5,548	--	21,411	31,420	162	31,582	52,993	0.56	63.49	925	
2015	14,435	13.9%	244	4,675	--	19,110	28,960	108	29,068	48,178	0.46	50.36	815	
2016	12,947	11.5%	214	4,675	--	17,622	26,400	54	26,454	44,076	0.39	42.43	727	
2017	11,390	9.5%	186	2,869	--	14,259	23,710	--	23,710	37,969	0.32	34.53	619	
2018	9,767	7.8%	157	1,936	--	11,703	20,885	--	20,885	32,588	0.26	27.50	525	
2019	8,064	6.2%	129	980	--	9,044	18,573	--	18,573	27,617	0.21	22.16	442	
2020	6,286	4.6%	99	--	--	6,286	16,406	--	16,406	22,692	0.17	N/A	359	
2021	7,886	5.5%	129	--	--	7,886	14,137	--	14,137	22,023	0.15	N/A	360	

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

<sup>(1)</sup> Debt is net of unamortized bond discount.

<sup>(2)</sup> See Table 8 for property value data.

<sup>(3)</sup> See Table 16 for personal income and population data.

N/A - Personal income information not available.

# TOWN OF JUPITER, FLORIDA

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2021

	Debt Outstanding	Estimated <sup>(1)</sup> Percentage Applicable to Town of Jupiter	Estimated <sup>(1)</sup> Share of Direct and Overlapping Debt
<b>Direct Debt:</b>			
Town of Jupiter	\$ 2,143,370	100.00%	\$ 2,143,370
<b>Overlapping Debt:</b>			
<b>Debt repaid with property taxes</b>			
Palm Beach County	35,700,000	6.44%	2,299,729
<b>Other Debt</b>			
Palm Beach County <sup>(2)</sup>	809,642,739	6.44%	52,155,708
Palm Beach County School Board <sup>(3)</sup>	1,793,933,000	6.44%	<u>115,561,891</u>
<b>Total Overlapping Debt</b>			<u>170,017,328</u>
<b>Total Direct and Overlapping Debt</b>			<u>\$ 172,160,698</u>
<b>Estimated Population</b>			62,100
<b>Total Direct and Overlapping Debt per Capita</b>			<u>\$ 2,772</u>

<sup>(1)</sup> Estimates based on ratio of assessed taxable values.

<sup>(2)</sup> Includes Non Ad Valorem Revenue Bonds (\$616,362,739) and Other Notes and Loans (\$193,280,000).

<sup>(3)</sup> Includes Capital Outlay Bonds (\$18,678,000) and Certificates of Participation (\$1,775,255,000).

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

# TOWN OF JUPITER, FLORIDA

## LEGAL DEBT MARGIN INFORMATION

### LAST TEN FISCAL YEARS (AMOUNTS IN THOUSANDS)

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 <sup>(1)</sup>	Net Debt Applicable to Limit	Legal Debt Margin	
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	11,389,857	1,714,369	13,104,226	1,965,634	8,064	1,957,570	0.41%
2020	11,921,625	1,780,636	13,702,261	2,055,339	6,286	2,049,053	0.31%
2021	12,486,465	1,808,833	14,295,298	2,144,295	2,143	2,142,152	0.10%

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

**TOWN OF JUPITER, FLORIDA**

**PLEDGED REVENUE COVERAGE**

**LAST TEN FISCAL YEARS**

Fiscal Year	Sales Tax Revenue Bonds			Water Revenue Bonds				
	Sales Tax Revenue	Debt Service <sup>(3)</sup>	Coverage <sup>(4)</sup>	Gross Revenue <sup>(1)</sup>	Operating Expenses <sup>(2)</sup>	Net Revenue Available for Debt Service	Debt Service <sup>(3)</sup>	Coverage <sup>(4)</sup>
2012	\$ 3,596,953	\$ 1,084,557	3.32	\$ 21,236,252	\$ 11,331,352	\$ 9,904,900	\$ 4,456,810	2.22
2013	3,793,323	1,088,094	3.49	22,669,367	11,550,774	11,118,593	3,858,289	2.88
2014	4,111,083	1,049,414	3.92	22,470,142	11,865,011	10,605,131	3,126,000	3.39
2015	4,381,431	987,359	4.44	24,069,201	12,142,702	11,926,499	3,194,605	3.73
2016	4,521,600	987,030	4.58	25,544,277	13,260,368	12,283,909	3,233,251	3.80
2017	4,657,676	991,249	4.70	27,578,625	14,794,859	12,783,766	3,296,838	3.88
2018	4,898,846	992,760	4.93	27,329,670	14,992,883	12,336,787	3,400,428	3.63
2019	4,979,248	996,539	5.00	28,989,206	15,513,104	13,476,102	2,825,882	4.77
2020	4,686,687	998,447	4.69	28,204,402	16,018,428	12,185,974	2,621,662	4.65
2021	--	--	-	28,696,292	15,907,890	12,788,402	2,667,699	4.79

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

<sup>(2)</sup> Expenses exclude depreciation.

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

<sup>(4)</sup> Required coverage is 1.10.

# TOWN OF JUPITER, FLORIDA

## DEMOGRAPHIC AND ECONOMIC STATISTICS

### LAST TEN FISCAL YEARS

Fiscal Year	Population <sup>(1)</sup>	Personal Income <sup>(2)</sup> (in millions)	Per Capita Personal Income <sup>(2)</sup>	Unemploy- ment Rate <sup>(3)</sup>	School Enrollment <sup>(4)</sup>
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	124,632	83,268	3.1%	10,306
2020	63,188	N/A	79,100	6.1%	9,576
2021	61,121	N/A	N/A	3.7%	9,519 <sup>(5)</sup>

**Data Sources:**

<sup>(1)</sup> Source: University of Florida, Bureau of Economic and Business Research.

<sup>(2)</sup> For Palm Beach County - U.S. Department of Commerce, Bureau of Economic Analysis

<sup>(3)</sup> For Palm Beach County - U.S. Department of Labor, Bureau of Labor Statistics (As of the month of October)

<sup>(4)</sup> For the 8 Jupiter area schools (5 Elementary, 2 Middle & 1 High) - The School District of Palm Beach County

<sup>(5)</sup> Based on October FTE Enrollment Report

N/A - Not available

# TOWN OF JUPITER, FLORIDA

## PRINCIPAL EMPLOYERS

### CURRENT YEAR AND NINE YEARS AGO

Employer	2021 <sup>(1)</sup>			2012 <sup>(1)</sup>		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Palm Beach County School District	2,260	1	6%	21,495	1	37%
Tenet Healthcare Corp.	6,505	2	18%	6,100	3	11%
Palm Beach County	5,686	3	16%	11,381	2	20%
NextEra Energy, Inc. (Headquarters)	5,119	4	14%	3,635	4	6%
Florida Atlantic University	3,133	5	9%	2,706	7	5%
Boca Raton Regional Hospital	3,052	6	8%	2,250	10	4%
Veterans Health Administration	3,000	7	8%	-	-	0%
Hospital Corporation of America	2,806	8*	8%	2,714	6	5%
The Breakers	2,300	9	6%	-	-	0%
Bethesda Health, Inc.	2,282	10*	6%	2,391	8	4%
Office Depot, Inc. (Hdqtrs)		-	0%	2,250	9	4%
G4S (Headquarters)		-	0%	3,000	5	5%
Totals	<u>36,143</u>		<u>100.00%</u>	<u>57,922</u>		<u>100.00%</u>

<sup>(1)</sup> Source: Business Development Board of Palm Beach County. Data is for Palm Beach County.  
Sources: Updates provided by the employers January 2021

\* Update figures unavailable at date of publication

# TOWN OF JUPITER, FLORIDA

## FULL-TIME EQUIVALENT TOWN EMPLOYEES BY FUNCTION / PROGRAM

### LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Government</b>										
Town Manager	4	4	4	3	4	4	4	4	2	2
Town Clerk	5	5	5	5	5	5	5	5	4	4
Finance	10	8	8	8	8	8	8	8	8	8
Human Resources	6	6	5	5	5	5	5	5	5	5
Information Systems	13	12	12	11	11	11	12	12	13	13
Neighborhoods	3	3	3	3	3	3	3	3	3	3
External Affairs	3	4	4	5	5	6	6	6	6	6
<b>Public Safety</b>										
Police Officers	110	109	109	112	116	116	118	118	118	118
Civilian Police	18	19	18	19	22	24	25	25	24	24
<b>Engineering/Public Works</b>										
Engineering	10	10	10	10	10	10	11	11	11	11.25
Public Works	21	21	21	23	21	21	20	18	19	19
Parks Maintenance	15	15	13	15	19	21	22	26	26	26
<b>Culture and Recreation</b>										
Parks and Recreation	18	17	17	18	18	19	19	20	20	20
<b>Water System</b>										
Plant	28	28	28	28	28	29	29	30	30	30
Field	11	15	15	17	17	18	18	18	18	18
Administration	18	16	16	16	17	18	18	18	17	16.5
<b>Building Department</b>										
Building	22	23	22	24	24	25	27	28	28	28
Planning	13	13	14	13	15	15	16	16	16	16
Business Registration	2	3	3	4	4	3	3	3	1	1
Code Enforcement	7	7	8	8	7	8	8	8	8	8
<b>Stormwater System</b>										
Field	4	4	4	5	5	5	5	5	5	5
Administration	4	4	4	4	4	4	4	4	4	4
<b>Total</b>	<u>342</u>	<u>345</u>	<u>341</u>	<u>354</u>	<u>366</u>	<u>376</u>	<u>384</u>	<u>389</u>	<u>385</u>	<u>385</u>

# TOWN OF JUPITER, FLORIDA

## OPERATING INDICATORS BY FUNCTION / PROGRAM

### LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Public Safety</b>										
<b>Police</b>										
Physical arrests	1,102	1,184	1,351	1,186	1,483	1,535	1,659	1,582	1,571	1,168
Parking violations	1,655	1,299	1,241	1,036	1,164	1,409	1,041	762	640	473
Traffic violations	13,175	6,651	6,637	5,400	6,171	5,698	7,984	8,042	7,346	9,366
<b>Code Compliance</b>										
Code violations	3,516	3,591	2,069	3,447	2,352	3,316	3,257	2,293	1,947	1,956
<b>Public Works</b>										
Street resurfacing (lane miles)	1	7	17	5	9	1	9	11	3	4
Pot holes repaired	40	42	29	71	52	58	73	37	40	49
<b>Culture and Recreation</b>										
<b>Parks and Recreation</b>										
Recreation programs offered	642	633	591	537	519	520	525	530	259	352
Recreation program participants	29,066	45,731	49,055	59,425	71,073	71,849	79,034	85,525	30,442	44,191
Youth athletic participants (JTAA)	6,869	6,925	6,192	6,256	6,161	6,446	6,423	6,670	5,202	5,723
Camp program participants	929	1,144	1,586	1,912	1,876	2,032	2,203	2,807	723	509
Athletic camp participants	967	887	927	958	960	995	1,120	1,129	--	--
Skate park participants	13,582	14,182	16,004	15,782	22,922	21,803	22,675	6,617	7,731	16,184
<b>Water System</b>										
Water customers	27,924	28,415	28,900	29,180	29,484	29,778	30,087	30,260	30,377	30,455
Permitted Capacity per day (million gallons)	30	30	30	30	30	30	30	30	30	30.00
Average daily water consumption (million gallons)	15	15	15	16	16	16	16	16	16	16
<b>Building Department</b>										
Building permits issued	6,199	7,568	8,930	8,222	6,297	7,646	8,898	8,743	9,332	10,364
Value of permits (in thousands)	\$ 147,459	\$ 330,520	\$ 308,242	\$ 235,345	\$ 208,708	\$ 175,709	\$ 261,372	\$ 272,649	\$ 198,639	\$ 272,204
<b>Stormwater System</b>										
Stormwater customers	21,709	22,161	22,518	22,600	22,820	22,993	23,155	23,261	23,308	23,376

Sources: Town departments.

(1) Beginning in 2009 these numbers are inclusive of all recreation programs not just classes as previously reported.

N/A: Not available.

# TOWN OF JUPITER, FLORIDA

## CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM

### LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Public Safety</b>										
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	147	158	148	150	148	148	147	141	142	145
<b>Code Compliance</b>										
Vehicles	8	8	8	8	8	9	9	8	8	8
<b>Engineering and Public Works</b>										
Centerline road miles	119.08	121.45	126.50	139.21	139.21	138.93	142.79	146.69	148.28	149.08
<b>Culture and Recreation</b>										
<b>Parks and Recreation</b>										
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	26	26	26	26	26	26	26
Basketball courts	12	12	12	12	12	12	12	12	12	12
Multi-purpose fields	12	12	12	16	16	16	16	16	16	16
Tennis courts	14	14	14	14	14	14	14	14	14	14
Parks	17	17	17	17	17	17	18	19	19	19
Parks (acres)	265	265	265	265	265	265	278	--	--	--
Park properties (acres)	--	--	--	--	--	--	--	217	217	217
Open space properties (acres)	--	--	--	--	--	--	--	109	110	110
<b>Water System</b>										
Water mains (miles)	454	458	462	467	468	470	474	476	476	477
Plants	1	1	1	1	1	1	1	1	1	1
Fire hydrants	3,502	3,542	3,596	3,621	3,646	3,717	3,711	3,758	3,780	3,802
<b>Building Department</b>										
Vehicles	11	10	9	9	9	9	9	9	9	9
<b>Stormwater System</b>										
Stormwater sewers (miles)	80	86	86	86	93.8	93.8	92.7	93.9	94.4	94.9

Source: Town departments.

N/A: Not available.

**TOWN OF JUPITER, FLORIDA**

**SCHEDULE OF INSURANCE IN FORCE**

**AS OF SEPTEMBER 31, 2021**

Type of Coverage	Coverage Amount	
Property	160,343,831	(1, 10)
Equipment Breakdown	100,000,000	(1, 10)
Inland Marine	3,592,386	(1, 10)
Ocean Marine	265,432	(13, 17)
Crime/Employee Dishonesty	250,000	(1, 9)
Deadly Weapon Protection	1,000,000	(1)
General Liability	2,000,000 per claim/no aggregate	(1, 6, 9)
Cyber 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 Compensation	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	(5, 11)
	150,000	(5, 11)
	75,000	(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, 20)
Medical - HSA	Unlimited	(4, 20)
Additional Insured Policy (Locations/Special Events)		
General Liability (Additional Insured Locations/Events)	1,000,000/2,000,000	(20, 21)
General Liability Excess Policy	1,000,000/2,000,000	(21, 23)
Drone/Aircraft Liability	1,000,000 per occurrence	(24, 25)

- (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 Florida Blue.
- (20) Coverage is through Nautilus Insurance Company.
- (21) Coverage applicable to claims \$1,000,000 per occurrence, \$2,000,000 aggregate.
- (22) Coverage applicable to claims \$1,000,000 per occurrence, \$2,000,000 aggregate.
- (23) Coverage applicable to claims \$2,000,000 per occurrence, \$2,000,000 aggregate.
- (24) Coverage is through Global Aerospace
- (25) Coverage applicable to claims Aircraft Liability \$1,000,000 per occurrence; Personal Injury Limit \$1,000,000

**Sources:** Town departments

**N/A:** Not available.

**TOWN OF JUPITER, FLORIDA**

**SALARIES OF PRINCIPAL OFFICIALS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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<u>Official</u>	<u>Annual Salary</u>
Mayor	\$ 22,200
Council (4 members)	18,600 (per member)
Town Manager	238,477
Police Chief	173,000
Utilities Director	165,055
Engineering and Public Works Director	157,102
Chief Financial Officer	91,119
Planning and Zoning Director	153,329
Building Department Director	153,270
Town Clerk	98,711
Information Systems Director	125,383
Recreation Director	124,423
Senior Director of External Services	146,160
Senior Director, Internal Services	116,719

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**COMPLIANCE REPORTS AND  
MANAGEMENT LETTER**

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**INDEPENDENT AUDITORS' 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, Members of the Town Council,  
Audit Committee and Town Manager  
**Town of Jupiter, Florida**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Jupiter, Florida (the "Town") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated March 29, 2022. 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 Town's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

***Internal Control Over Financial Reporting***

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

*Marcum LLP*

West Palm Beach, Florida  
March 29, 2022

**MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE  
AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Honorable Mayor, Members of the Town Council,  
Audit Committee and Town Manager  
**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 fiscal year ended September 30, 2021, and have issued our report thereon dated March 29, 2022. We did not audit the financial statements of the Municipal Police Officers’ Retirement Trust Fund, which represents 75%, 76%, and 63%, respectively, of the assets, net position/fund balance, and revenues/additions of the aggregate remaining fund information.

**Auditors’ Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Other Reporting Requirements***

We have issued our Independent Auditors’ 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 Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 29, 2022, 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 made in the preceding financial audit report.

### ***Official Title and Legal Authority***

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 to the financial statements. Also, as discussed in Note 1, the Town included the Jupiter Community Redevelopment Agency (the “CRA”) 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.

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. 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. This assessment has been performed as of fiscal year end.

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 other granting agencies, the Honorable Mayor, Town Council, Audit Committee and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Marcus LLP*

West Palm Beach, Florida  
March 29, 2022

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO  
SECTION 218.415, FLORIDA STATUTES**

To the Honorable Mayor, Members of the Town Council,  
Audit Committee and Town Manager  
**Town of Jupiter, Florida**

We have examined the Town of Jupiter, Florida (the "Town") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2021. Management of 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 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 the specified requirements.

In our opinion, the Town complied, in all material respects, with Section 218.415, Florida Statutes for the fiscal year ended September 30, 2021.

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

*Marcum LLP*

West Palm Beach, FL  
March 29, 2022



# TOWN OF JUPITER

BEFORE ME, the undersigned authority, personally appeared Michael Villella, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of the Town of Jupiter which is a local governmental entity of the State of Florida.
2. Town of Jupiter adopted the following Ordinances implementing impact fees:
  - 1) Recreation Impact fees: (Ord 35-93, passed 5-4-1993)
  - 2) Police Impact fees: (Ord 48-95, passed 12-5-1995)
  - 3) Road Impact fees: (Ord 14-04, passed 4-20-2004)
3. Town of Jupiter has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT

Michael Villella

STATE OF FLORIDA

COUNTY OF PALM BEACH

SWORN AND SUBSCRIBED BEFORE ME THIS 7 DAY OF March, 2022.

Notary Public

Print Name: Elizabeth S. Ojea

Personally known to me

My Commission Expires: 11/29/2024

Seal:



Signature: