

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
TOWN OF JUPITER, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2014**



**Prepared By:
Finance Department**

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

TOWN OF JUPITER, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION



TOWN OF JUPITER

March 27, 2015

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

The Comprehensive Annual Financial Report (CAFR) of the Town of Jupiter, Florida, (the "Town") for the fiscal year ended September 30, 2014, 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, 2014 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. Located on the Atlantic Ocean in northern Palm Beach County, Jupiter is a vibrant coastal community of more than 56,000 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”. Since that time the Town’s geographic size has increased from approximately 8.5 square miles to just over 23 square miles.

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

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

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

FINANCIAL CONDITION AND OUTLOOK

Local Economy: Palm Beach County is the 3rd most populous county in the State of Florida. The latest population estimate prepared by the US Census Bureau indicates that the current population of the Town exceeds 55,000 and the County is approximately 1.3 million. Projections show the population growing at an estimated annual rate of 9.21 percent over the next 15 years, with corresponding increases in service businesses and light industry.

As it is with much of the country, the recession and declining property values that started in 2009 resulted in a significant reduction in growth and development and a corresponding contraction in the local economy. Since that time, the local economy has started showing signs of recovery over the past year with the area unemployment rate dropping to 5.6 percent, the lowest in five years, down 1.1 percentage points from the October 2013 rate of 6.7 percent. The key measures of employment are job growth and the unemployment rate. While Florida led the nation when comparing these measures during the boom, the state’s performance fell below the national averages on both measures until October 2010 when Florida experienced its first increase in jobs since June 2007.

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 current recessionary pressures continue to subside.

Major Industries: The Town's primary focus in relation to future job creation is on the target industries of biotechnical science and aerospace engineering. Since 2007, the Town has utilized the resources of its Biotech Advisory Board, 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 Biotech Advisory Board and Jupiter's proactive approach to industry recruitment and expansion, in excess of 1,000 high skill, high wage positions within have been created by the target industries in the Town. Jupiter's efforts to create a diversified economy in relation to its current economic base, which has traditionally centered on tourism, healthcare, retail and housing activities, has shown positive growth over the last year and provides the Town with a realistic opportunity to grow the local economy in the coming years.

Future Outlook: The future outlook for Jupiter, the surrounding area and the state as a whole, however, still indicates minimal growth in job creation and economic activity well into 2015. However, unlike many jurisdictions around the country, the Town took a proactive approach in dealing with the realities of the recession and positioned itself for financial stability during the economic downturn. With slow growth returning, the Town saw growth in its tax base from home valuations and sales taxes and expects this trend to continue while it realigns its priorities, institutes training to encourage process improvement initiatives and focuses efforts on quality service delivery and cost savings. The Town and private investment in the Community Redevelopment District (CRA) will have a positive impact on the Town and assist in the slow recovery of its tax base to prerecession levels.

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 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 nature 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. During the recession, the pace of growth and development slowed significantly throughout the Town and surrounding areas. This slow-down led to a decrease in building permit and ad valorem tax revenues below previous years. The Town responded by reducing the size of the organization to better ensure long-term financial sustainability. Since 2007, the Town has reduced its workforce from approximately 420 FTE's to 365 FTE's in an effort to reduce on-going operational cost in light of the recessionary pressures and, again, to create a financially sustainable organization.
- Engaged employee groups in problem solving and decision-making and implemented more affordable healthcare options to allow for sustained viability of the overall health plan while working to reduce the Town's operating costs.
- Collaborated with sworn police officers to create a more sustainable pension model which resulted in a net annual savings of approximately \$1 million to the Town.

The fiscal year 2014 budget included an estimate of \$414,000 to be used from fund balance, but Town management was successful in reducing operating costs and avoided utilization of any fund balance amounts for fiscal year 2014.

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

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

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

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

- **Street Resurfacing** – The Town has over 116 miles of neighborhood streets and roads that fall within its jurisdiction of responsibility for repair and maintenance. In order for the Town to remain a desirable place to live, it will be investing through its neighborhood repaving program approximately \$3.9 million over the next four years.
- **Neighborhood Improvement Program** - The Neighborhood Improvement Program is designed to address the aesthetics and exterior appearance of homes in neighborhoods as well as the upkeep of common, highly visible areas which is directly related to the desirability and market value of Jupiter neighborhoods.
- **Cinquez Park** – This project will provide improvements to the Town’s Open Space site for public access and multi-purpose use for items such as a dog park, green space, playground and restoration of native plant communities.
- **Community Broadband** – Through the Town’s planned installation of a community broadband network, the business community and town residents will have the opportunity to exert greater control over its economic future. Businesses are increasingly reliant on broadband access to be competitive in their day-to-day activities. The Town’s community broadband system will allow current and prospective businesses to access the latest communication technology available to ensure their competitive advantage now and into the future. This is a project that will expand over the next four years with a total investment of \$3.9 million.
- **Expansion of South Jupiter Community Park** - To keep pace with the community’s demand for recreational opportunities, the Town initiated construction of a new park that will also provide parking opportunities for visitors attending Cardinals and Marlins Spring Training games. The new part located near the Abacoa Town Center is slated to open in late 2015.
- **Riverwalk** – The Town, along with strategic partners, will continue development of the Riverwalk and Inlet Village. The most significant investment is the construction of the Harbourside project, which is located adjacent to the Riverwalk. Included is 100,000+ square feet of office, retail and commercial spaces, a hotel, a public parking garage and other public amenities. Now complete, the development is expected to provide an additional \$125 million to the tax base.
- **Water Utilities** - The Utilities department will continue their work on expanding the water distribution systems to provide potable drinking water to neighborhoods within the Town’s service delivery area that have yet to obtain services.

- **Economic Development** - With The Scripps Research Institute and the Max Planck Florida Institute for Neuroscience located in Jupiter, the Town, in cooperation with the State of Florida, Palm Beach County and neighboring municipalities, is actively promoting economic development of the bio-science industry in northern Palm Beach County to promote job creation, diversification of the local economy and an increased tax base.

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, 2013, the twenty-eighth consecutive year the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both U.S. generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully Submitted,



Andrew D. Lukasik
Town Manager



Michael Vilella, C.P.A.
Finance Director



Government Finance Officers Association

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

Presented to

**Town of Jupiter
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

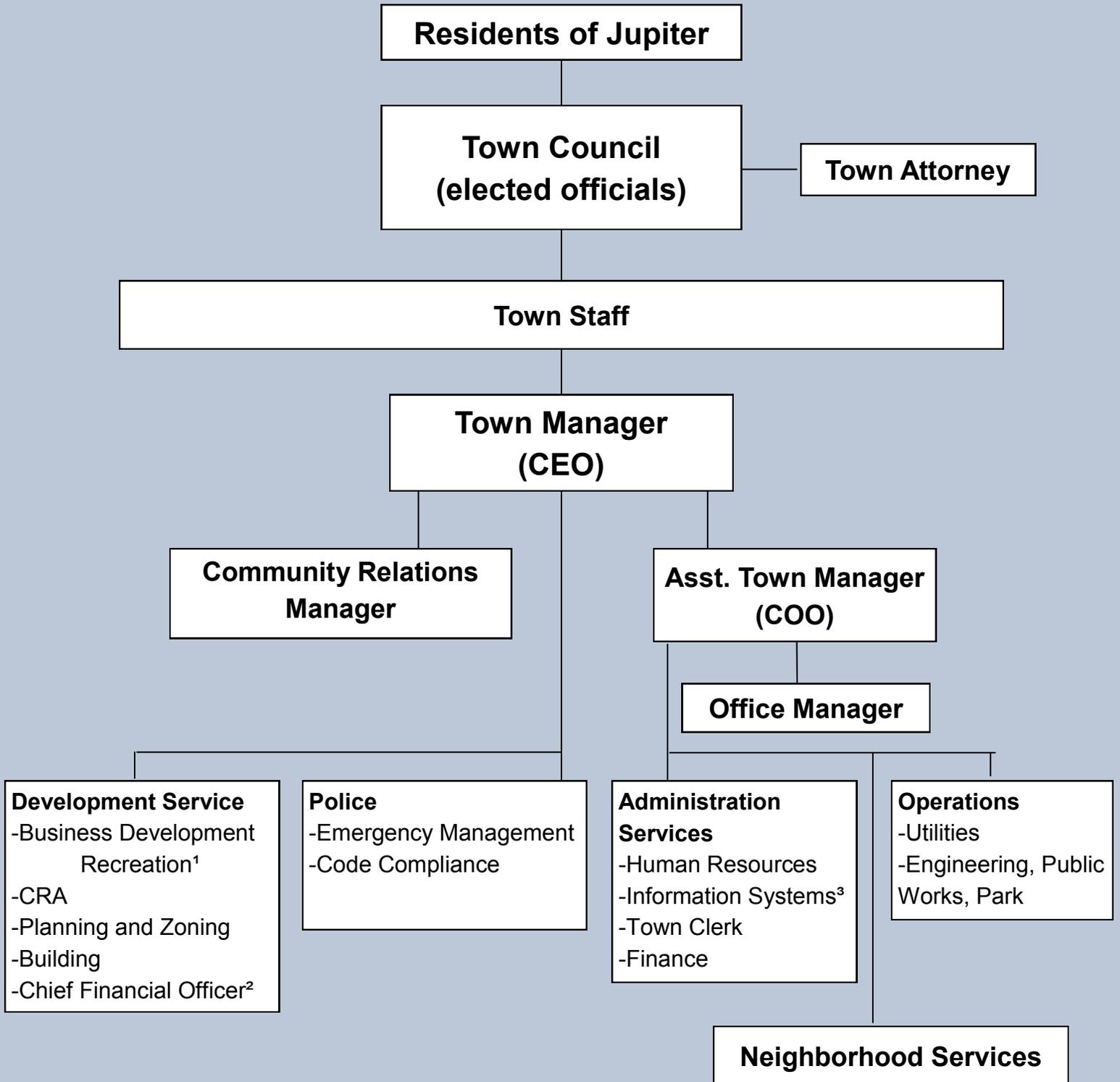


Executive Director/CEO

**TOWN OF JUPITER
LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2014**

Mayor	Karen J. Golonka
Vice-mayor	Ilan Kaufer
Councilor	Jim J. Kuretski, Jr.
Councilor	Todd R. Wodraska
Councilor	Wendy Harrison
Town Manager	Andrew D. Lukasik
Assistant Town Manager	Lori Bonino
Town Attorney	Thomas J. Baird
Town Clerk	Sally M. Boylan
Finance Director	Michael Villella, C.P.A.
Community Relations Director	Kate Moretto
Chief of Police	Frank J. Kitzerow, Jr.
Utilities Director	David L. Brown
Engineering and Public Works Director	Thomas V. Driscoll
Planning and Zoning Director	John R. Sickler, Jr.
Information Systems Director	Drew Burgess
Building Department Director	Roger D. Held
Business Development Director	Russell A. Ruskay
Human Resources Director	Dawn Loren

Town of Jupiter Organizational Chart



¹Business Development Director supervises Recreation Superintendent.

²Chief Financial Officer and Financial Director is filled by one person.

³Information Systems Manager serves as the Chief Business Analyst to improve Town business practices.

FINANCIAL SECTION



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

CERTIFIED PUBLIC ACCOUNTANTS

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

505 SOUTH FLAGLER DRIVE, SUITE 900
WEST PALM BEACH, FL 33401-5948

TELEPHONE (561) 832-9292
FAX (561) 832-9455

info@cdlcpa.com

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Jupiter, Florida, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Municipal Police Officers' Retirement Trust Fund, the fiduciary fund of the Town, which represents 91%, 91% and 52%, respectively, of the assets, net position/fund balances and revenues/additions of the aggregate remaining fund information of the Town. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Municipal Police Officers' Retirement Trust Fund, is based solely on the report of the other auditor. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Jupiter, Florida, as of September 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 4 through 11 and the budgetary comparison information on pages 61 to 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, the combining fund financial statements and individual fund budgetary comparison schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2015, on our consideration of the internal control over financial reporting of the Town of Jupiter, Florida, and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

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

West Palm Beach, Florida
March 27, 2015

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, 2014.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$368,080,267 (*total net position*). Of this amount, \$93,473,048 (*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 \$22,846,974. Approximately 39% of this increase is attributable to governmental activities and 61% 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 \$48,202,469, an increase of \$2,254,865 from the prior year fund balance. Approximately 41% 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 \$24,844,624, or 63% of total General Fund expenditures for the current fiscal year.
- The Town's total debt, excluding compensated absences, decreased by approximately \$4,616,000 (8%) during the current fiscal year. The decrease was attributable to scheduled principal payments on the debt. The Town also issued \$5,270,000 in new debt (Sales Tax Revenue Refunding Note - Series 2013) to retire the Sales Tax Revenue Refunding Bonds - Series 2002.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements of the Town comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flow*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

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

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

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

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

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary 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 pension of the Town's police officers. The basic fiduciary fund financial statements can be found on pages 24-25 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-60 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 61-66 to demonstrate compliance with the adopted budget.

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 67-73.

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 exceeded liabilities by \$368,080,267 at the close of the most recent fiscal year. The Town's net position at September 30, 2014 and 2013 is summarized as follows:

Net Position						
(Amounts in Thousands)						
	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Current and other assets	\$ 55,765	\$ 54,997	\$ 79,862	\$ 72,035	\$ 135,627	\$ 127,032
Capital assets	<u>94,938</u>	<u>90,285</u>	<u>209,234</u>	<u>206,644</u>	<u>304,172</u>	<u>296,929</u>
Total assets	<u>150,703</u>	<u>145,282</u>	<u>289,096</u>	<u>278,679</u>	<u>439,799</u>	<u>423,961</u>
Deferred Outflows of Resources						
Deferred charges on refunding	<u>-</u>	<u>-</u>	<u>576</u>	<u>673</u>	<u>576</u>	<u>673</u>
Liabilities						
Long-term liabilities						
outstanding	24,719	26,816	32,547	34,876	57,266	61,692
Other liabilities	<u>7,445</u>	<u>8,878</u>	<u>7,584</u>	<u>8,831</u>	<u>15,029</u>	<u>17,709</u>
Total liabilities	<u>32,164</u>	<u>35,694</u>	<u>40,131</u>	<u>43,707</u>	<u>72,295</u>	<u>79,401</u>
Net Position						
Net investment in capital						
assets	74,609	67,755	184,307	178,560	258,916	246,315
Restricted	5,108	5,765	10,583	2,796	15,691	8,561
Unrestricted	<u>38,822</u>	<u>36,068</u>	<u>54,651</u>	<u>54,289</u>	<u>93,473</u>	<u>90,357</u>
Total net position	<u>\$ 118,539</u>	<u>\$ 109,588</u>	<u>\$ 249,541</u>	<u>\$ 235,645</u>	<u>\$ 368,080</u>	<u>\$ 345,233</u>

The largest portion of the Town's net position (70%) 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 (\$93.5 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 \$22.8 million during 2014. Approximately 44% 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, 2014 and 2013 are summarized as follows:

Changes in Net Position
(Amounts in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues						
Charges for services	\$ 8,217	\$ 8,573	\$ 30,513	\$ 31,772	\$ 38,730	\$ 40,345
Operating grants and contributions	1,298	1,301	-	221	1,289	1,522
Capital grants and contributions	6,487	5,185	6,267	5,599	12,754	10,784
General revenues						
Property taxes	20,885	20,151	-	-	20,885	20,151
Other taxes	16,984	15,920	-	-	16,984	15,920
Intergovernmental not restricted to specific programs	1,487	1,329	-	-	1,487	1,329
Investment earnings	275	652	204	216	479	868
Gain on sale of capital assets	-	2,285	4	-	4	2,285
Total revenues	<u>55,633</u>	<u>55,396</u>	<u>36,988</u>	<u>37,808</u>	<u>92,621</u>	<u>93,204</u>
Expenses						
General governmental	16,024	14,933	-	-	16,024	14,933
Public safety	18,888	18,331	-	-	18,879	18,331
Engineering and public works	7,093	7,249	-	-	7,093	7,249
Culture and recreation	3,455	3,094	-	-	3,455	3,094
Interest on debt	1,122	1,485	-	-	1,122	1,485
Water System	-	-	18,223	18,611	18,223	18,611
Stormwater	-	-	1,893	2,182	1,893	2,182
Building	-	-	3,076	2,183	3,076	2,183
Total expenses	<u>46,582</u>	<u>45,092</u>	<u>23,192</u>	<u>22,976</u>	<u>69,774</u>	<u>68,068</u>
Increase in net position before transfers	9,051	10,304	13,796	14,832	22,847	25,136
Transfers	<u>(100)</u>	<u>(299)</u>	<u>100</u>	<u>299</u>	<u>-</u>	<u>-</u>
Increase in net position	8,951	10,005	13,896	15,131	22,847	25,136
Net position - beginning of year	<u>109,588</u>	<u>99,583</u>	<u>235,645</u>	<u>220,514</u>	<u>345,233</u>	<u>320,097</u>
Net position - end of year	<u>\$ 118,539</u>	<u>\$ 109,588</u>	<u>\$ 249,541</u>	<u>\$ 235,645</u>	<u>\$ 368,080</u>	<u>\$ 345,233</u>

Governmental activities. Governmental activities increased the Town's net position by \$8,951,530, thereby accounting for 39% of the total growth in the net position of the Town. Revenues were approximately \$228,000 more than the prior year. The key elements of this increase were a \$1,798,000 increase in property and other taxes

due to increased property valuations, new construction activity and improving local economy and a \$1,302,000 increase in revenue from capital contributions for private roadways turned over to the Town. The increases were offset by a decrease in gain on sale of capital assets of approximately \$2,285,000 from prior year sales of property for the Harbourside project.

Business-type activities. Business-type activities increased the Town’s net assets by \$13,895,444, accounting for 61% 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 decreased approximately \$1,150,000 from the prior year due to increased operating expenses of approximately \$470,000; decreased interest expense of approximately \$730,000 due to lower interest rates on the 2013 Series Refunding Bonds; and a decrease of approximately \$970,000 in capital contributions from connection fees being added to the system.
- The Stormwater Utility change in net position increased approximately \$1,850,000 from the prior year due to reduced operating expenses of approximately \$290,000; and, an increase of approximately \$1,600,000 attributable to capital contributions related to private systems being turned over to the Town.
- The Building department change in net position decreased approximately \$1,930,000 from the prior year due to a decrease in permit revenues of approximately \$1,150,000 related to approximately \$3.6 million in fees for the Harbourside project that were not repeated in the current year that was partially offset by increased fees for other projects. Operating expenses for the Building Fund increased approximately \$900,000 due to work related to the Harbourside project that was under construction in 2014.

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 \$48,202,469, an increase of \$2,254,865 from the prior year. Approximately 41% of the total fund balance at September 30, 2014 (\$19,712,310) 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	\$ 7,544,777	16%
Restricted	6,191,375	13%
Assigned	14,754,007	30%

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 \$24,844,624, while total fund balance was \$32,828,363. 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 63% of total General Fund expenditures for 2014, while total fund balance represents 84% of that same amount. The fund balance of the Town’s General Fund increased by \$3,556,382 during the current fiscal year. The key factors contributing to this increase were a \$928,000 increase in ad valorem taxes, a \$346,000 increase in franchise fees, a \$387,000 increase in charges for services, a \$322,000 increase in fines and forfeitures, and a \$355,000 increase in transfers. The increases in revenues were partially offset by increases in expenditures related to general government (\$1,091,000), public safety (\$560,000), and culture and recreation (\$361,000).

The Community Redevelopment Fund (CRA) had an unassigned fund balance deficit of \$5,132,314, substantially all of which is attributable to a liability to the General Fund for various construction projects financed by General Fund advances to the CRA. The General Fund advances will be repaid from future tax increment funds received by the CRA as commercial and redevelopment projects increase taxable property values in the CRA district. The

CRA had a net decrease in its unassigned fund balance deficit during 2014 of approximately \$1,170,000, primarily due to increased capital expenditures of approximately \$1.1 million related to the A1A roadway project.

The Capital Improvements Fund has a total fund balance of \$14,754,007 which is intended for the Town's current and future capital projects. The net decrease in fund balance during the current year in the Capital Improvements Fund was \$528,556. The key factors contributing to this decrease was a decrease in fines and forfeitures of \$773,000, which was offset by a decrease in engineering and public works expenditures of \$166,000 due to the timing of construction activity surrounding the South Jupiter Community Park phase II project.

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 \$39,317,056; \$6,530,182; and, \$14,933,079; respectively. The total growth in net position of the Water System Fund, Stormwater Fund and Building Fund was \$8,383,081; \$2,563,986; and, \$2,948,377; 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 \$572,000 in appropriations and were generally attributable to the re-appropriation of open contracts from the previous fiscal year and appropriated revenues received but not budgeted. The increases in appropriations are summarized as follows:

- Approximately \$31,000 was appropriated for repair and maintenance items such as the dunes cross over and software in the police department.
- Approximately \$41,000 was re-appropriated to fund neighborhood improvement programs.
- Approximately \$30,000 was re-appropriated for capital items that were not purchased by year-end.
- Approximately \$472,000 was appropriated for tuition reimbursement, insurance reimbursements, police federal forfeiture activity and the Town's wellness program.

During the year, actual revenues and other financing sources were approximately \$1,182,000 greater than budgetary estimates due primarily to increased collections for ad-valorem taxes (\$391,000), franchise fees (\$246,000), state shared revenues (\$207,000) and fines and forfeitures (\$608,000). Actual expenditures were under budget by approximately \$2.4 million primarily due to savings in general government (\$960,000), public safety (\$947,000), and engineering and public works (\$358,000).

Community Redevelopment Fund. Differences between the original budget and the final amended budget resulted in a net increase of approximately \$1.7 million in appropriations and were generally attributable to the re-appropriation of budgeted but unexpended funds for various capital projects approved but not completed in 2014, including the A1A roadway project, the Inlet Village roadway network and the Riverwalk at Waterway Pointe project.

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, 2014, amounts to \$304,171,526 (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 and transmission lines. The total increase in the Town's investment in capital assets for the current fiscal year was 2.4% (approximately two-thirds of which came from governmental activities).

The Town's capital assets at September 30, 2014 and 2013 are summarized as follows:

Capital Assets						
(Amounts in Thousands, net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 41,778	\$ 41,759	\$ 569	\$ 569	\$ 42,347	\$ 42,328
Construction in progress	-	-	4,747	1,932	4,747	1,932
Buildings	8,725	9,057	74,541	77,360	83,266	86,417
Improvements	24,800	22,874	121,578	119,807	146,378	142,681
Machinery and Equipment	1,906	2,717	7,799	6,976	9,705	9,693
Infrastructure	<u>17,729</u>	<u>13,878</u>	-	-	<u>17,729</u>	<u>13,878</u>
Total assets	<u>\$ 94,938</u>	<u>\$ 90,285</u>	<u>\$ 209,234</u>	<u>\$ 206,644</u>	<u>\$ 304,172</u>	<u>\$ 296,929</u>

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

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

Additional information on the Town's capital assets can be found in Note E on pages 41-42 of this report.

Outstanding debt. At the end of the current fiscal year, the Town had total bonded debt and loans outstanding of approximately \$53,070,000. Of this amount, \$15,940,000 comprises general obligation bonded debt, and \$5,548,000 is revenue bonded debt for which the Town has pledged sales taxes. The remainder of the Town's debt of \$31,582,000 represents bonds and loans secured solely by the net revenues of the Enterprise Funds. The Town's total debt decreased, by approximately \$4,616,000 (8%) during the current fiscal year, due to the retirement of maturing debt.

Outstanding Debt						
General Obligation and Revenue Bonds and Loans						
(Amounts in Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 15,940	\$ 17,320	\$ -	\$ -	\$ 15,940	\$ 17,320
Sales tax revenue bonds	5,548	6,390	-	-	5,548	6,390
Water System revenue bonds/note	-	-	31,420	33,760	31,420	33,760
Stormwater loan	<u>-</u>	<u>-</u>	<u>162</u>	<u>216</u>	<u>162</u>	<u>216</u>
Total debt	<u>\$ 21,488</u>	<u>\$ 23,710</u>	<u>\$ 31,582</u>	<u>\$ 33,976</u>	<u>\$ 53,070</u>	<u>\$ 57,686</u>

The Town and its Water System both have a “AAA” rating from Standard & Poor’s and Fitch and a “Aaa” rating from Moody’s on their outstanding bonded debt. Town ordinances limit the amount of general obligation debt the Town may issue to 15% of the total assessed valuations of property located in the Town. The current debt limitation for the Town is approximately \$1.4 billion, which is significantly in excess of the Town’s outstanding general obligations debt.

Additional information on the Town’s long-term debt can be found in Note F on pages 42-48 of this report.

Economic Factors and Next Year’s Budgets and Rates

During the current fiscal year, unassigned fund balance in the General Fund increased by \$5,010,194 to \$24,844,624. The following factors were considered in preparing the Town’s budget for the 2015 fiscal year.

- Increases in property values and the overall stabilization in the economy will have a positive impact on ad-valorem tax revenues in comparison to previous years.
- With the deployment of the Town’s health clinic in FY 2014 coupled with reduced loss ratio’s from a high in 2012 of 106% to a reduced rolling average of 75.3% in 2014, the Town is not anticipating increases in health insurance coverage costs going into the FY 2015 budget cycle. The Town will also capitalize on the use of its clinic, the reduced loss ratios and the Town’s wellness program to establish a partially self-insurance and catastrophic fund going into FY 2015 to further reduce cost for its employees.
- The stabilization in the real estate market, construction and development will result in slightly increasing revenues from building permit fees in comparison to previous years.
- Minimal increases in available interest rates for investments.
- Sales tax revenues and franchise fees will continue to slowly strengthen and are expected to continue this slow growth in the near future.

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

TOWN OF JUPITER, FLORIDA

STATEMENT OF NET POSITION

September 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 15,223,091	\$ 23,801,773	\$ 39,024,864
Investments	37,659,957	37,451,063	75,111,020
Accounts receivable, net	1,643,605	1,074,491	2,718,096
Grants receivable	76,343	-	76,343
Interest receivable	62,810	38,136	100,946
Other receivable	-	840,066	840,066
Inventory	58,469	828,066	886,535
Internal balances	(955,522)	955,522	-
Prepaid expenses	69,179	2,000	71,179
Restricted assets			
Restricted cash and cash equivalents	-	9,823,180	9,823,180
Restricted investments	1,211,631	846,240	2,057,871
Notes receivable	412,036	-	412,036
Noncurrent receivables	-	4,201,587	4,201,587
Net pension asset	303,477	-	303,477
Capital assets, not being depreciated			
Land	41,777,929	569,123	42,347,052
Construction in progress	-	4,747,476	4,747,476
Capital assets, net of accumulated depreciation			
Buildings and plant	8,725,306	74,541,067	83,266,373
Improvements	24,800,155	121,577,685	146,377,840
Machinery and equipment	1,905,664	7,798,523	9,704,187
Infrastructure	17,728,598	-	17,728,598
Total Assets	<u>150,702,728</u>	<u>289,095,998</u>	<u>439,798,726</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	576,130	576,130
LIABILITIES			
Accounts payable	1,284,319	1,283,934	2,568,253
Accrued expenses	829,979	153,369	983,348
Deposits	4,961,175	2,199,188	7,160,363
Unearned revenue	369,607	3,860,896	4,230,503
Liabilities payable from restricted assets	-	86,659	86,659
Noncurrent liabilities			
Due within one year			
Compensated absences	160,000	75,000	235,000
Bonds and notes	2,308,667	54,000	2,362,667
Due in more than one year			
Compensated absences	2,857,700	808,254	3,665,954
Bonds and notes	19,102,842	31,528,000	50,630,842
Net other postemployment benefits obligation	289,039	81,961	371,000
Total Liabilities	<u>32,163,328</u>	<u>40,131,261</u>	<u>72,294,589</u>
NET POSITION			
Net investment in capital assets	74,609,024	184,306,940	258,915,964
Restricted for:			
Debt retirement	1,391,468	642,155	2,033,623
Capital projects	2,814,221	9,940,606	12,754,827
Law enforcement	774,055	-	774,055
Economic development	128,750	-	128,750
Unrestricted	38,821,882	54,651,166	93,473,048
Total Net Position	<u>\$ 118,539,400</u>	<u>\$ 249,540,867</u>	<u>\$ 368,080,267</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, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
GOVERNMENTAL ACTIVITIES				
General government	\$ 16,024,110	\$ 2,019,811	\$ 353,933	\$ 5,105,599
Public safety	18,887,625	955,659	648,631	57,829
Engineering and public works	7,093,266	4,004,341	295,946	705,201
Culture and recreation	3,455,019	1,237,217	-	618,173
Interest on long-term debt	1,122,371	-	-	-
Total Governmental Activities	46,582,391	8,217,028	1,298,510	6,486,802
BUSINESS-TYPE ACTIVITIES				
Water system	18,222,704	22,265,341	-	4,105,092
Stormwater	1,893,252	2,333,048	-	2,161,775
Building	3,076,617	5,914,206	-	-
Total Business-type Activities	23,192,573	30,512,595	-	6,266,867
Total	\$ 69,774,964	\$ 38,729,623	\$ 1,298,510	\$ 12,753,669

General revenues
Taxes
Property taxes
Franchise fees
Public service taxes
Communications services taxes
Sales taxes
Gas taxes
Intergovernmental not restricted to specific programs
Investment earnings
Gain on sale of capital assets
Transfers
Total general revenues and transfers
Change in net position
Net position at beginning of year
Net position at September 30, 2014

Net Revenues (Expenses) and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (8,544,767)	\$ -	\$ (8,544,767)
(17,225,506)	-	(17,225,506)
(2,087,778)	-	(2,087,778)
(1,599,629)	-	(1,599,629)
<u>(1,122,371)</u>	<u>-</u>	<u>(1,122,371)</u>
(30,580,051)	-	(30,580,051)
-	8,147,729	8,147,729
-	2,601,571	2,601,571
-	2,837,589	2,837,589
<u>-</u>	<u>13,586,889</u>	<u>13,586,889</u>
(30,580,051)	13,586,889	(16,993,162)
20,884,758	-	20,884,758
4,529,052	-	4,529,052
4,340,039	-	4,340,039
2,801,452	-	2,801,452
4,111,083	-	4,111,083
1,202,381	-	1,202,381
1,487,636	-	1,487,636
275,260	204,322	479,582
-	4,153	4,153
<u>(100,080)</u>	<u>100,080</u>	<u>-</u>
<u>39,531,581</u>	<u>308,555</u>	<u>39,840,136</u>
8,951,530	13,895,444	22,846,974
<u>109,587,870</u>	<u>235,645,423</u>	<u>345,233,293</u>
<u>\$ 118,539,400</u>	<u>\$ 249,540,867</u>	<u>\$ 368,080,267</u>

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

TOWN OF JUPITER, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2014

	Major Governmental Funds				
	General Fund	Community Redevelopment Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,741,365	\$ 2,097,869	\$ 5,692,039	\$ 4,691,818	\$ 15,223,091
Investments	24,555,302	-	12,176,227	928,428	37,659,957
Accounts receivable, net	1,643,080	525	-	-	1,643,605
Grants receivable	-	-	68,559	7,784	76,343
Interest receivable	59,788	-	3,022	-	62,810
Due from other funds	7,012,768	-	-	-	7,012,768
Inventory	58,469	-	-	-	58,469
Prepaid items	68,699	480	-	-	69,179
Restricted investments	128,750	-	1,082,881	-	1,211,631
Notes receivable	280,349	131,687	-	-	412,036
Total Assets	<u>\$ 36,548,570</u>	<u>\$ 2,230,561</u>	<u>\$ 19,022,728</u>	<u>\$ 5,628,030</u>	<u>\$ 63,429,889</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,108,007	\$ 33,690	\$ 142,513	\$ 109	\$ 1,284,319
Accrued liabilities	644,029	-	-	-	644,029
Due to other funds	955,522	7,005,093	-	7,675	7,968,290
Deposits	774,729	60,238	4,126,208	-	4,961,175
Total Liabilities	<u>3,482,287</u>	<u>7,099,021</u>	<u>4,268,721</u>	<u>7,784</u>	<u>14,857,813</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	<u>237,920</u>	<u>131,687</u>	<u>-</u>	<u>-</u>	<u>369,607</u>
FUND BALANCES					
Nonspendable:					
Inventory	58,469	-	-	-	58,469
Prepaid items	68,699	480	-	-	69,179
Advance due from other fund	7,005,093	-	-	-	7,005,093
Notes receivable	280,349	131,687	-	-	412,036
Restricted for:					
Debt service	-	-	-	1,391,468	1,391,468
Capital projects	-	-	-	3,897,102	3,897,102
Law enforcement	442,379	-	-	331,676	774,055
Economic development	128,750	-	-	-	128,750
Assigned to:					
Capital projects	-	-	14,754,007	-	14,754,007
Subsequent year's budget	563,478	-	-	-	563,478
Unassigned:					
General Fund	24,281,146	-	-	-	24,281,146
Special Revenue Funds (deficit)	-	(5,132,314)	-	-	(5,132,314)
Total Fund Balances	<u>32,828,363</u>	<u>(5,000,147)</u>	<u>14,754,007</u>	<u>5,620,246</u>	<u>48,202,469</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 36,548,570</u>	<u>\$ 2,230,561</u>	<u>\$ 19,022,728</u>	<u>\$ 5,628,030</u>	<u>\$ 63,429,889</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, 2014

Total governmental fund balances		\$ 48,202,469
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.		94,937,652
Net pension assets of a defined benefit pension plan are reported in the statement of net position. Because this does not represent available, spendable resources, it is not reported in governmental funds.		303,477
Discounts on the issuance of long-term debt are reported as "Other Financing Sources and Uses" in the governmental funds. Discounts are deferred and amortized over the life of the debt in the government-wide statements.		76,963
Accrued interest on bonds payable is not due and payable in the current period and, therefore, is not reported in the funds.		(185,950)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and note payable	(21,488,472)	
Compensated absences	(3,017,700)	
Net other postemployment benefits obligation	(289,039)	
		<u>(24,795,211)</u>
Total net position		<u>\$ 118,539,400</u>

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

TOWN OF JUPITER, FLORIDA

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

For the Year Ended September 30, 2014

	Major Governmental Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Community Redevelopment Fund	Capital Improvements Fund		
REVENUES					
Taxes	\$ 24,220,940	\$ 720,678	\$ 2,106,011	\$ 2,181,001	\$ 29,228,630
Franchise fees	4,529,052	-	-	-	4,529,052
Licenses and permits	659,538	-	-	1,356,981	2,016,519
Intergovernmental	2,348,279	-	137,508	4,129,320	6,615,107
Charges for services	6,605,098	48,980	-	-	6,654,078
Fines and forfeitures	809,176	-	-	-	809,176
Investment earnings	237,853	127,698	6,227	192	371,970
Donations	17,165	-	-	-	17,165
Miscellaneous	207,514	94,236	76,089	77,314	455,153
Total Revenues	<u>39,634,615</u>	<u>991,592</u>	<u>2,325,835</u>	<u>7,744,808</u>	<u>50,696,850</u>
EXPENDITURES					
Current					
General government	13,540,816	394,637	305,724	-	14,241,177
Public safety	18,325,188	-	-	47,799	18,372,987
Engineering and public works	5,110,179	-	868,785	-	5,978,964
Culture and recreation	1,999,070	-	633,322	-	2,632,392
Capital outlay	297,297	1,545,233	1,971,480	18,237	3,832,247
Debt service					
Principal	-	-	-	7,491,528	7,491,528
Interest	-	171,267	-	974,058	1,145,325
Total Expenditures	<u>39,272,550</u>	<u>2,111,137</u>	<u>3,779,311</u>	<u>8,531,622</u>	<u>53,694,620</u>
Revenues Over (Under) Expenditures	362,065	(1,119,545)	(1,453,476)	(786,814)	(2,997,770)
OTHER FINANCING SOURCES (USES)					
Insurance recoveries	51,570	-	-	-	51,570
Proceeds from sale of capital assets	31,145	-	-	-	31,145
Refunding debt issued	-	-	-	5,270,000	5,270,000
Transfers in	3,111,602	-	1,025,000	-	4,136,602
Transfers out	-	(50,000)	(100,080)	(4,086,602)	(4,236,682)
Total Other Financing Sources (Uses)	<u>3,194,317</u>	<u>(50,000)</u>	<u>924,920</u>	<u>1,183,398</u>	<u>5,252,635</u>
Net Change in Fund Balances	3,556,382	(1,169,545)	(528,556)	396,584	2,254,865
Fund balances (deficit) at beginning of year	<u>29,271,981</u>	<u>(3,830,602)</u>	<u>15,282,563</u>	<u>5,223,662</u>	<u>45,947,604</u>
Fund balances (deficit) at end of year	<u>\$ 32,828,363</u>	<u>\$ (5,000,147)</u>	<u>\$ 14,754,007</u>	<u>\$ 5,620,246</u>	<u>\$ 48,202,469</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, 2014

Net change in fund balance - total governmental funds \$ 2,254,865

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	3,832,247
Depreciation expense	(4,125,903)

Some revenues reported in the statement of activities do not generate current
financial resources and are therefore not reported as revenue by the funds.

Developer contributions of capital assets	4,982,291
Change in unearned interest on note receivable	(96,710)

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 increases
financial resources. The change in net position differs from the change in fund
balances by the net book value of the assets disposed.

(35,833)

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

30,114

The issuance and repayment of long-term debt provides/consumes the current
financial resources of governmental funds. However, these transactions do
not have any effect on net position of the governmental activities. Governmental
funds report the effect of debt discount when debt is issued, whereas these
amounts are deferred and amortized in the statement of activities.

Debt issuance	(5,270,000)
Debt retirement - principal paid	7,491,528
Amortization of debt discount	(7,160)

Some expenses reported in the statement of activities are not reported in the funds
because they have no effect on current financial resources.

Change in net pension asset	11,984
Change in compensated absences	(89,429)
Change in net other postemployment benefits obligation	<u>(26,464)</u>

Change in net position of governmental activities \$ 8,951,530

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, 2014

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 12,763,572	\$ 5,263,234	\$ 5,774,967	\$ 23,801,773
Investments	26,769,951	1,381,986	9,299,126	37,451,063
Accounts receivable, net	877,330	197,161	-	1,074,491
Interest receivable	32,803	3,750	1,583	38,136
Other receivable	840,066	-	-	840,066
Due from other funds	55,522	-	900,000	955,522
Inventory	828,066	-	-	828,066
Prepaid expenses	2,000	-	-	2,000
Restricted assets				
Cash and cash equivalents	9,823,180	-	-	9,823,180
Investments	846,240	-	-	846,240
Total Current Assets	<u>52,838,730</u>	<u>6,846,131</u>	<u>15,975,676</u>	<u>75,660,537</u>
NONCURRENT ASSETS				
Noncurrent receivables	4,201,587	-	-	4,201,587
Capital assets				
Land and improvements	458,616	110,507	-	569,123
Construction in progress	3,963,854	511,405	272,217	4,747,476
Water treatment systems	92,314,376	-	-	92,314,376
Buildings and improvements	8,605,903	41,788,501	407,813	50,802,217
Water distribution systems	132,579,886	-	-	132,579,886
Wells	27,508,881	-	-	27,508,881
Equipment and pumps	8,817,514	477,785	-	9,295,299
Meters	17,420,978	-	-	17,420,978
	291,670,008	42,888,198	680,030	335,238,236
Less accumulated depreciation	<u>(111,265,133)</u>	<u>(14,363,283)</u>	<u>(375,946)</u>	<u>(126,004,362)</u>
Total Capital Assets, net	<u>180,404,875</u>	<u>28,524,915</u>	<u>304,084</u>	<u>209,233,874</u>
Total Noncurrent Assets	<u>184,606,462</u>	<u>28,524,915</u>	<u>304,084</u>	<u>213,435,461</u>
Total Assets	<u>237,445,192</u>	<u>35,371,046</u>	<u>16,279,760</u>	<u>289,095,998</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	<u>576,130</u>	<u>-</u>	<u>-</u>	<u>576,130</u>

Continued

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 994,178	\$ 194,783	\$ 94,973	\$ 1,283,934
Accrued expenses	96,694	10,822	45,853	153,369
Compensated absences payable	52,205	6,898	15,897	75,000
Current maturities on loans and bonds	-	54,000	-	54,000
	<u>1,143,077</u>	<u>266,503</u>	<u>156,723</u>	<u>1,566,303</u>
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS				
Accounts and contracts payable	86,659	-	-	86,659
Total Current Liabilities	<u>1,229,736</u>	<u>266,503</u>	<u>156,723</u>	<u>1,652,962</u>
NONCURRENT LIABILITIES				
Customer deposits	1,440,508	-	-	1,440,508
Other deposits	46,878	23,479	688,323	758,680
Unearned revenue	3,860,896	-	-	3,860,896
Net other postemployment benefits obligation	50,099	5,625	26,237	81,961
Compensated absences payable, net of current portion	562,598	74,342	171,314	808,254
Loan payable, net of current portion	-	108,000	-	108,000
Revenue bonds payable, net of current portion	31,420,000	-	-	31,420,000
Total Noncurrent Liabilities	<u>37,380,979</u>	<u>211,446</u>	<u>885,874</u>	<u>38,478,299</u>
Total Liabilities	<u>38,610,715</u>	<u>477,949</u>	<u>1,042,597</u>	<u>40,131,261</u>
NET POSITION				
Net investment in capital assets	155,639,941	28,362,915	304,084	184,306,940
Restricted				
Debt retirement	642,155	-	-	642,155
Capital projects	9,940,606	-	-	9,940,606
Unrestricted	<u>33,187,905</u>	<u>6,530,182</u>	<u>14,933,079</u>	<u>54,651,166</u>
Total Net Position	<u>\$ 199,410,607</u>	<u>\$ 34,893,097</u>	<u>\$ 15,237,163</u>	<u>\$ 249,540,867</u>

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

TOWN OF JUPITER, FLORIDA

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

For the Year Ended September 30, 2014

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
OPERATING REVENUES				
Charges for services	\$ 21,797,353	\$ 2,308,496	\$ -	\$ 24,105,849
Licenses and permits	-	-	5,913,421	5,913,421
Other fees and charges	467,810	4,180	785	472,775
Total Operating Revenues	<u>22,265,163</u>	<u>2,312,676</u>	<u>5,914,206</u>	<u>30,492,045</u>
OPERATING EXPENSES				
Personal services	4,433,557	529,015	1,862,891	6,825,463
General operating expenses	7,431,454	783,963	1,204,461	9,419,878
Depreciation	5,532,219	580,018	9,265	6,121,502
Total Operating Expenses	<u>17,397,230</u>	<u>1,892,996</u>	<u>3,076,617</u>	<u>22,366,843</u>
Operating Income	<u>4,867,933</u>	<u>419,680</u>	<u>2,837,589</u>	<u>8,125,202</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	204,801	3,837	27,856	236,494
Miscellaneous revenues	178	20,372	-	20,550
Net change in fair value of investments	(23,568)	(3,606)	(4,998)	(32,172)
Gain on sale of capital assets	4,153	-	-	4,153
Interest expense	(728,824)	(256)	-	(729,080)
Amortization expense	(96,650)	-	-	(96,650)
Total Nonoperating Revenues (Expenses)	<u>(639,910)</u>	<u>20,347</u>	<u>22,858</u>	<u>(596,705)</u>
Income Before Capital Contributions and Transfers	4,228,023	440,027	2,860,447	7,528,497
CAPITAL CONTRIBUTIONS	4,105,092	2,161,775	-	6,266,867
TRANSFERS	<u>49,966</u>	<u>(37,816)</u>	<u>87,930</u>	<u>100,080</u>
Change in Net Position	8,383,081	2,563,986	2,948,377	13,895,444
Net position at beginning of year	<u>191,027,526</u>	<u>32,329,111</u>	<u>12,288,786</u>	<u>235,645,423</u>
Net position at end of year	<u>\$ 199,410,607</u>	<u>\$ 34,893,097</u>	<u>\$ 15,237,163</u>	<u>\$ 249,540,867</u>

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

TOWN OF JUPITER, FLORIDA

STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS

For the Year Ended September 30, 2014

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 22,024,551	\$ 2,365,931	\$ 5,518,101	\$ 29,908,583
Cash paid to suppliers and contractors	(7,089,441)	(628,348)	(2,088,076)	(9,805,865)
Cash paid to employees	(4,370,996)	(529,295)	(1,829,463)	(6,729,754)
Cash received from others	467,988	24,552	785	493,325
Net Cash Provided By Operating Activities	11,032,102	1,232,840	1,601,347	13,866,289
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers	49,966	(37,816)	87,930	100,080
Net Cash Provided By (Used In) Noncapital Financing Activities	49,966	(37,816)	87,930	100,080
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	2,721,424	2,161,775	-	4,883,199
Acquisition and construction of capital assets	(3,706,772)	(2,987,563)	(177,846)	(6,872,181)
Proceeds from disposal of capital assets	8,992	-	-	8,992
Principal paid on revenue bonds	(2,340,000)	-	-	(2,340,000)
Principal paid on loan payable	-	(54,000)	-	(54,000)
Interest and other debt service charges	(786,000)	(256)	-	(786,256)
Net Cash Used In Capital and Related Financing Activities	(4,102,356)	(880,044)	(177,846)	(5,160,246)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	(11,219,557)	(996,891)	(2,009,439)	(14,225,887)
Interest received	171,998	87	26,273	198,358
Net Cash Used In Investing Activities	(11,047,559)	(996,804)	(1,983,166)	(14,027,529)
Net Decrease in Cash and Cash Equivalents	(4,067,847)	(681,824)	(471,735)	(5,221,406)
Cash and cash equivalents at beginning of year	26,654,599	5,945,058	6,246,702	38,846,359
Cash and cash equivalents at end of year	\$ 22,586,752	\$ 5,263,234	\$ 5,774,967	\$ 33,624,953
Cash and Cash Equivalents Reconciliation				
Unrestricted	\$ 12,763,572	\$ 5,263,234	\$ 5,774,967	\$ 23,801,773
Restricted	9,823,180	-	-	9,823,180
Cash and cash equivalents at end of year	\$ 22,586,752	\$ 5,263,234	\$ 5,774,967	\$ 33,624,953

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
NONCASH FINANCING AND INVESTING ACTIVITIES				
Capital contributions	\$ 1,742,308	\$ -	\$ -	\$ 1,742,308
Change in fair value of investments	\$ (23,568)	\$ (3,606)	\$ (4,998)	\$ (32,172)
Capitalized interest costs	\$ 57,176	\$ -	\$ -	\$ 57,176
Amortization of deferred charge on refunding	\$ 96,650	\$ -	\$ -	\$ 96,650
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	\$ 4,867,933	\$ 419,680	\$ 2,837,589	\$ 8,125,202
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	5,532,219	580,018	9,265	6,121,502
Provision for doubtful accounts	(29,993)	(5,072)	-	(35,065)
Miscellaneous revenues	178	20,372	-	20,550
Changes in operating assets and liabilities				
Accounts receivable	509,125	62,507	-	571,632
Other receivable	(80,675)	-	-	(80,675)
Due from other funds	130,458	-	(900,000)	(769,542)
Inventory	(94,911)	-	-	(94,911)
Prepaid expenses	19,707	-	-	19,707
Accounts payable	286,759	155,615	16,385	458,759
Accrued expenses	16,669	1,443	11,926	30,038
Compensated absences	40,969	(2,282)	19,448	58,135
Deposits	73,614	-	(395,320)	(321,706)
Unearned revenue	(244,873)	-	-	(244,873)
Net OPEB obligation	4,923	559	2,054	7,536
Net Cash Provided By Operating Activities	\$ 11,032,102	\$ 1,232,840	\$ 1,601,347	\$ 13,866,289

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, 2014

	Municipal Police Officers' Retirement Trust Fund
ASSETS	
Cash and cash equivalents	\$ 1,506,239
Investments	
Certificates of deposit	3,256,780
U.S. Government bonds and notes	3,283,062
U.S. Government Agency securities	2,233,038
Corporate obligations	8,758,576
Asset-backed bonds	2,031,460
Foreign bonds	63,400
Equity securities	14,641,761
Preferred stock	497,707
Equity mutual funds	6,547,385
Real estate investment trust index funds	2,673,140
Commingled real estate funds	3,060,185
International equity funds	7,846,380
Partnerships	269,720
Total Investments	<u>55,162,594</u>
Receivables	
Accrued interest and dividends	139,113
State contributions	527,943
Pending trades receivable	333,901
Total Receivables	<u>1,000,957</u>
Prepaid expenses	<u>900</u>
	Total Assets 57,670,690
LIABILITIES	
Accounts payable and accrued expenses	50,647
Pending trades payable	676,970
	Total Liabilities <u>727,617</u>
NET POSITION	
Restricted for pension benefits	<u>\$ 56,943,073</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, 2014

	Municipal Police Officers' Retirement Trust Fund
ADDITIONS	
Contributions	
Town	\$ 2,431,252
State	527,943
Employee	666,691
	<u>3,625,886</u>
Investment earnings	
Net appreciation in fair value of investments	3,935,068
Interest and dividends	1,105,974
	<u>5,041,042</u>
Less investment expenses	273,460
Net investment earnings	<u>4,767,582</u>
Other income	<u>2,233</u>
	Total Additions 8,395,701
DEDUCTIONS	
Pension benefits	1,977,617
Contribution refunds	35,771
Administrative expenses	124,608
	<u>2,137,996</u>
	Total Deductions
	Change in Net Position 6,257,705
NET POSITION RESTRICTED FOR PENSION BENEFITS	
Beginning of Year	<u>50,685,368</u>
	End of Year \$ <u>56,943,073</u>

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

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

As defined by U.S. generally accepted accounting principles (GAAP), the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

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

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

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or identifiable activity is offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or identifiable activity. *Program revenue* includes three categories of transactions: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; (2) operating grants and contributions; and, (3) capital grants and contributions. Taxes and other items not meeting the definition of program revenue are reported as *general revenue*. The Town does not allocate indirect costs, however, an administrative service fee is charged by the General Fund to recover the direct costs of General Fund services provided (such as finance, legal, human resources, information systems, etc.).

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

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

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

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

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

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

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The *Stormwater Fund* accounts for all activities and services related to the Town’s stormwater collection, treatment and disposal system.

The *Building Fund* accounts for all activities related to compliance with building codes, permitting and licenses.

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, 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 6 months of the end of the current fiscal year, except for property taxes, for which the period is 60 days. 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. Property taxes, intergovernmental revenue, franchise fees, charges for services and investment income are all considered susceptible to accrual and so have been recognized as revenue in the current fiscal year. All other revenue items are considered to be measurable and available only when received in cash by the Town.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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. Taxes receivable are recorded for unpaid delinquent taxes based on the original tax roll. At September 30, 2014, taxes receivable were \$266,328 and were offset by an allowance of \$266,328 for uncollectible taxes resulting from errors, insolvencies and court appeals.

Tax revenues are generated by a millage rate set annually by the Town Council with a legal limit of 10 mills or \$10.00 per \$1,000 of taxable property value. The Town contracts fire rescue services to Palm Beach County Fire Rescue MSTU (municipal services taxing unit), which levies a separate tax on Town property owners of 2.0787 mills. The Palm Beach County Fire Rescue MSTU millage rate is deducted from the Town's legal millage rate cap of 10 mills, thereby reducing the Town's millage rate cap to 7.9213.

During 2007, the Florida Legislature passed property tax reform legislation limiting the property tax levies of local governments in the State of Florida. Local governments that adopt a property tax levy in excess of the limit under State law will lose their Half-Cent Sales Tax distribution from the State for the succeeding twelve months. The State law allows local governments to adopt a millage rate based on the following approval of the governing body: (1) a majority vote to adopt a rate equal to the adjusted current year rolled-back millage rate plus an adjustment for growth in per capita Florida personal income; (2) a two-thirds vote to adopt a rate equal to the adjusted current year roll back millage rate plus 10%; or (3) any millage rate approved by unanimous vote or referendum. For the fiscal year ending September 30, 2014, the Town adopted a total millage rate of 2.8152, which was less than the maximum tax rate permitted. This millage rate resulted in a total tax levy of \$19,919,948 for 2014, representing a 3.7% increase from the property tax levy for 2013. Future property tax growth is limited to the annual growth rate of per capita personal income plus the value of new construction.

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.

Investments: The Town's investments consist mainly of certificates of deposits, U.S. Government and Instrumentality securities reported at fair value, investments in Florida Prime, a 2a7-like external

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

investment pool administered by the State Board of Administration (SBA) reported at amortized cost, and Pension Trust Fund investments consisting of certificates of deposit, foreign bonds, U.S. Government and Agency securities, equity and debt securities, index funds and mutual funds reported at fair value.

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

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

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

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

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

Capital Assets: The Town has reported 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, fair value at the date of donation. Expenses which materially extend the useful life of

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

existing assets are capitalized. Costs for professional services and interest associated with the acquisition and construction of enterprise fund capital assets are capitalized. The cost of capital assets sold or retired is removed from the accounts and any resulting gain or loss is included in the increase 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

Unamortized Bond Discount: Unamortized bond discount in the Government-wide and Proprietary Fund financial statements is amortized on the straight-line basis and charged against operations over the term of the related debt. This method approximates the interest method of amortization. Unamortized bond discount is presented as a reduction of bonds payable.

Unearned/Unavailable Revenues: Unearned revenue in the Governmental Activities and unavailable revenues in the Governmental Funds includes amounts received in advance of the related services being provided by the Town and earned interest income that is not currently due. Unearned revenue in the Business-type Activities and Enterprise Funds includes utility payments from customers and other amounts received in advance of the related services being provided by the Town.

Compensated Absences: The Town records accumulated, unpaid vacation, sick and compensatory pay in the proprietary funds as a fund liability. The liability for compensated absences attributable to the Town's governmental funds is recorded 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, subject to 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 proprietary funds are amortized using the straight-line method, which approximates the interest method, and are charged against operations over the term of the debt issues. 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

September 30, 2014

NOTE A - 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 may report a separate section for deferred outflows or deferred inflows of resources. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The Town reports a deferred charge on refunding as deferred outflows of resources on the government-wide Statement of Net Position. The deferred charge on refunding was a loss resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 has no amounts reported as deferred inflows of resources on the government-wide Statement of Net Position, however, the Town has one item, unavailable revenues, which arises only under the modified accrual basis of accounting and is reported as a deferred inflow of resources on the governmental funds Balance Sheet. The unavailable revenues result from amounts received in advance for business licenses in the General Fund and earned interest income that is not currently due and a note receivable that will be earned in future years as services are provided. These amounts are deferred and recognized as an inflow of resources in the year that the amounts become available.

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

Net Investment in Capital Assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are 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.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

The fund balance classifications are summarized as follows:

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

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

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

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

Unassigned - Unassigned fund balances include amounts that are not assigned to other funds and have not been restricted, committed, or assigned to specific purposes.

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

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

On-behalf Payments: In accordance with U.S. generally accepted accounting principles, on-behalf payments of \$527,943 received by the Town from the State of Florida for the benefit of the Municipal Police Officers' Retirement Trust Fund (MPORT) for the year ended September 30, 2014, have been recognized as intergovernmental revenue in the General Fund. The expenditure for the MPORT pension was recorded in the General Fund for Police Department personal services.

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 purchases commercial insurance for the risks of losses to which it is exposed. Policy limits and deductibles are reviewed annually by management and established at amounts to provide reasonable protection from significant financial loss. Settlements have not exceeded insurance coverage for any of the prior three fiscal years. Insurance recoveries are for losses incurred in prior years.

Interfund Transactions: Transactions between funds during the year consisted of loans, services provided, reimbursements or transfers. Loans are reported as *Due from Other Funds* and *Due to Other*

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Funds as appropriate and are subject to elimination in the government-wide financial statements. Services, deemed to be reasonably equivalent in value, are treated as revenue and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are presented as transfers. Transfers between the governmental and business-type activities are eliminated in the government-wide financial statements.

Implementation of GASB Statements: The Town implemented the following GASB Statements during the fiscal year ended September 30, 2014:

- GASB Statement No. 66, *Technical Corrections - 2012 - An Amendment of GASB Statements No. 10 and No. 62*, amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. The statement amends GASB Statement No. 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. The requirements of this statement had no impact on the Town's financial statements.
- GASB Statement No. 67, *Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25*, provides accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans. The Statement establishes a definition for pension arrangements and determining pension obligations and requirements for accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. Implementation of GASB 67 affected only matters of presentation of the pension fund.
- GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, provides accounting and financial reporting standards related to nonexchange financial guarantees. The Statement establishes guidance on when a nonexchange financial guarantee is required to be recognized as a liability by the government. The Town has no financial guarantees, and accordingly, this statement has no effect on the Town.

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

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, provides accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans. The Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expenses/expenditures. For defined benefit pensions, this Statement identifies methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The requirements of this statement will be effective for the Town for the fiscal year ending September 30, 2015.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

- GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement distinguishes between a government merger and a government acquisition and also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. The requirements of this statement will be effective for the Town for the fiscal year ending September 30, 2015.
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, amends Statement No. 68 regarding the reporting of contributions as deferred outflows upon adoption of Statement No. 68. The requirements of this statement will be effective for the Town upon adoption of Statement No. 68 for the fiscal year ending September 30, 2015.

Estimates: Management uses estimates and assumptions in preparing financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures. Actual results could vary from the estimates that were used.

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.

NOTE B - CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and Cash Equivalents: At September 30, 2014, cash and cash equivalents included petty cash of \$5,424, deposits in checking and demand deposit accounts of \$38,097,064, and investments in money market mutual funds of \$10,745,556. The checking and demand deposit accounts 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 financial institutions are considered fully insured in accordance with the provisions of GASB Statement No. 3. Cash and cash equivalents of the Municipal Police Officers' Retirement Trust Fund (MPORT) consists of \$1,506,239 invested in a money market mutual fund. Money market mutual funds are held by the investment broker in the name of the Town or MPORT, as applicable, but are not otherwise collateralized or secured.

Investments: Town ordinances authorize the Town to invest in external investment pools administered by the State Board of Administration (SBA), including Florida Prime and Local Government Investment Pool (LGIP) Fund B; direct obligations of or obligations unconditionally guaranteed by the U.S. Government; obligations of U.S. Government Agencies and Instrumentalities; interest bearing time

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

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

	Primary Government	Fiduciary Fund Pension Trust	Total
Reported in the financial statements as:			
Cash and cash equivalents	\$ 39,024,864	\$ 1,506,239	\$ 40,531,103
Restricted cash and cash equivalents	<u>9,823,180</u>	-	<u>9,823,180</u>
Total cash and cash equivalents	48,848,044	1,506,239	50,354,283
Investments	75,111,020	55,162,594	130,273,614
Restricted investments	<u>2,057,871</u>	-	<u>2,057,871</u>
Total investments	<u>77,168,891</u>	<u>55,162,594</u>	<u>132,331,485</u>
Total cash, cash equivalents and investments	<u>\$ 126,016,935</u>	<u>\$ 56,668,833</u>	<u>\$ 182,685,768</u>

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 LGIP Fund B is a closed investment pool administered by the State of Florida and resulting from the restructuring of the original LGIP in 2008 following substantial withdrawals due to reported liquidity issues. The restructuring plan divided the LGIP into two separate pools, LGIP Fund A and Fund B. Fund A was designated as the ongoing fund consisting of only short-term, money market assets of the highest quality and re-opened to new participants as Florida Prime. Fund B retained all securities from the original LGIP that had defaulted, were in default or had extended payment terms or potentially elevated credit risk. On September 5, 2014, the SBA transferred all remaining original principal from Fund B to Florida Prime, representing full recovery of the Town's original investment. Fund B still holds certain restructured and defaulted securities with a weighted average life of approximately 3 years, based on expected future cash flows. Future distributions to the Town may be made by the SBA based on the actual cash flows from these securities, however, the amount of future distributions, if any, cannot be determined at present.

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, 2014, all Town investments were held in custodial accounts, but not in the name of the Town or Pension Trust Fund. Florida Prime and money market mutual funds are considered *unclassified* pursuant to GASB Statement No. 3.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

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

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. Town policy requires at least 30% of the investment portfolio to mature within one year; no more than 10% may mature in more than five years; and, no investment may have a maturity of more than 15 years. The Pension Trust Fund investment policy does not limit investment maturities. At September 30, 2014, Florida Prime and the money market mutual funds had a weighted average maturity of less than one year. The following table summarizes the scheduled maturities of debt securities at September 30, 2014.

	Fair Value of Investment Maturities			
	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Certificates of deposit	\$ 95,496	\$ 6,141,578	\$ -	\$ -
U.S. Government bonds and notes	-	1,551,178	1,064,003	667,881
U.S. Government Agency Securities	-	24,026,253	4,820,609	1,154,437
Corporate obligations	159,984	10,054,356	2,647,331	1,826,803
Asset-backed bonds	64,811	554,029	511,246	921,184
Foreign bonds	-	63,400	-	-
	<u>\$ 320,291</u>	<u>\$ 42,390,794</u>	<u>\$ 9,043,189</u>	<u>\$ 4,570,305</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 Pension Trust Fund requires an investment grade rating (BBB or higher) by an NRSRO. The Pension Trust Fund utilizes ratings from Standard and Poor's and Moody's Investor Services for investments. Florida Prime and the money market mutual funds owned by the Town and the Pension Trust Fund are rated AAAM. The NRSRO ratings for the Town's investment securities at September 30, 2014, are summarized as follows:

	<u>NRSRO Rating</u>	<u>Fair Value</u>
Certificates of deposit	AA	\$ 3,256,780
Certificates of deposit	Not rated	2,980,294
U.S. Government bonds and notes	AA	3,283,062
U.S. Government Agency securities	AA	30,001,299
Corporate obligations	AAA - CCC	14,688,474
Asset-backed bonds	AAA - AA	2,051,270
Foreign bonds	A - BBB	63,400

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,

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

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

excluding securities held under a third party safekeeping agreement. In the Pension Trust Fund, 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.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Pension Trust Fund has \$63,400 of foreign currency denominated bonds.

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

NOTE C - ACCOUNTS RECEIVABLE

Accounts receivable and allowance for doubtful accounts at September 30, 2014, consist of the following:

	Gross Accounts Receivable	Allowance For Doubtful Accounts	Net Receivable
	<u> </u>	<u> </u>	<u> </u>
Governmental Funds			
General Fund - Taxes	\$ 266,328	\$ (266,328)	\$ -
General Fund - Accounts	1,263,363	(9,429)	1,253,934
General Fund - Intergovernmental	389,146	-	389,146
Community Redevelopment Fund - Other	525	-	525
Total Governmental Funds	<u>1,919,362</u>	<u>(275,757)</u>	<u>1,643,605</u>
Proprietary Funds			
Water System Fund - Utility accounts	958,159	(80,829)	877,330
Stormwater Fund - Utility accounts	<u>204,936</u>	<u>(7,775)</u>	<u>197,161</u>
Total Proprietary Funds	<u>1,163,095</u>	<u>(88,604)</u>	<u>1,074,491</u>
	<u>\$ 3,082,457</u>	<u>\$ (364,361)</u>	<u>\$ 2,718,096</u>

Noncurrent receivables and other receivables in the Proprietary Funds of \$4,201,587 and \$840,066, respectively, have no allowance for doubtful accounts at September 30, 2014.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE D - NOTES RECEIVABLE

The Town had the following notes receivable at September 30, 2014:

General Fund - Economic Development Loans	\$ 280,349
Community Redevelopment Fund - Land sale	<u>131,687</u>
Total notes receivable	<u>\$ 412,036</u>

Economic Development Loans: In August 2013, the Town provided a loan of \$16,200 to a private company as part of the Town's economic development initiative. The loan is interest only payable at 6% per annum beginning September 2013 and is due in full on the earlier of (1) the company obtaining a minimum of \$2 million in equity funding, (2) the company receiving institutional funds, or (3) February 28, 2014. The loan is secured by all business assets of the company and guaranteed by the company's officers and has a balance of \$14,000 recorded as a note receivable as of September 30, 2014. The Town is currently negotiating an extended payment schedule with the company.

The Town also had a loan guarantee to the company of \$450,000 and pledged certificates of deposit totaling \$450,000 for the loan guarantee, on which the company defaulted. The bank applied the certificates of deposit to the loan and the loan was written off by the Town in 2014.

The Town also had a loan guarantee to a private company of \$300,000, on which the company defaulted. The loan was collateralized by a pledged certificate of deposit for \$300,000 which the bank applied to the loan. The Town has recorded the outstanding balance due from this company of \$266,349 as a loan receivable in the General Fund at September 30, 2014. Town management is in negotiations with the company on a repayment plan and the Town 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 is \$131,687 as of September 30, 2014.

NOTE E - GENERAL FUND ADVANCES DUE FROM CRA

The Town's General Fund has advanced funds to the Jupiter Community Redevelopment Agency (CRA) for the purchase of property, construction of public improvements and redevelopment activities within the boundaries of the CRA. The Town and the CRA have entered into an interlocal agreement for the repayment of these advances to the General Fund by the CRA, with interest at 3.0%, through the year ending September 30, 2027. The repayment of the advances ranges from approximately \$220,000 in 2015 to \$1.1 million in 2026, and generally increase each year commensurate with the expected increases in the CRA's tax increment revenues resulting from the redevelopment activities. The outstanding advances totaled \$7,005,093 at September 30, 2014 and are considered to be noncurrent because the repayments are not expected to be available under the modified accrual basis of accounting.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE F - CAPITAL ASSETS

The Town's capital asset activity for the year ended September 30, 2014, is summarized as follows:

Governmental Activities	Balance at Beginning of Year	Increases	Decreases	Balance at End of Year
Capital assets not being depreciated				
Land	\$ 41,758,576	\$ 19,353	\$ -	\$ 41,777,929
Depreciable capital assets				
Buildings	22,294,535	166,357	-	22,460,892
Improvements	38,940,169	2,821,738	-	41,761,907
Machinery and equipment	12,946,070	762,185	(1,314,832)	12,393,423
Infrastructure	<u>26,822,382</u>	<u>5,044,905</u>	<u>-</u>	<u>31,867,287</u>
Total depreciable capital assets	101,003,156	8,795,185	(1,314,832)	108,483,509
Less accumulated depreciation				
Buildings	(13,237,068)	(498,518)	-	(13,735,586)
Improvements	(16,066,362)	(895,390)	-	(16,961,752)
Machinery and equipment	(10,229,095)	(1,537,663)	1,278,999	(10,487,759)
Infrastructure	<u>(12,944,357)</u>	<u>(1,194,332)</u>	<u>-</u>	<u>(14,138,689)</u>
Total accumulated depreciation	<u>(52,476,882)</u>	<u>(4,125,903)</u>	<u>1,278,999</u>	<u>(55,323,786)</u>
Depreciable capital assets, net of accumulated depreciation	<u>48,526,274</u>	<u>4,669,282</u>	<u>(35,833)</u>	<u>53,159,723</u>
Total capital assets, net	<u>\$ 90,284,850</u>	<u>\$ 4,688,635</u>	<u>\$ (35,833)</u>	<u>\$ 94,937,652</u>
 Business-type Activities				
Capital assets not being depreciated				
Land	\$ 569,123	\$ -	\$ -	\$ 569,123
Construction in progress	<u>1,932,436</u>	<u>2,846,200</u>	<u>(31,160)</u>	<u>4,747,476</u>
Total capital assets not being depreciated	2,501,559	2,846,200	(31,160)	5,316,599
Depreciable capital assets				
Buildings and plant	99,395,536	25,306	-	99,420,842
Improvements	199,019,009	4,357,696	-	203,376,705
Machinery and equipment	<u>27,162,210</u>	<u>1,518,012</u>	<u>(1,556,132)</u>	<u>27,124,090</u>
Total depreciable capital assets	325,576,755	5,901,014	(1,556,132)	329,921,637
Less accumulated depreciation				
Buildings and plant	(22,036,349)	(2,843,426)	-	(24,879,775)
Improvements	(79,211,567)	(2,587,453)	-	(81,799,020)
Machinery and equipment	<u>(20,186,237)</u>	<u>(690,623)</u>	<u>1,551,293</u>	<u>(19,325,567)</u>
Total accumulated depreciation	<u>(121,434,153)</u>	<u>(6,121,502)</u>	<u>1,551,293</u>	<u>(126,004,362)</u>
Depreciable capital assets, net of accumulated depreciation	<u>204,142,602</u>	<u>(220,488)</u>	<u>(4,839)</u>	<u>203,917,275</u>
Total capital assets, net	<u>\$ 206,644,161</u>	<u>\$ 2,625,712</u>	<u>\$ (35,999)</u>	<u>\$ 209,233,874</u>

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE F - CAPITAL ASSETS (Continued)

Depreciation expense charged to governmental activities for the year ended September 30, 2014 was as follows:

General government	\$	1,863,905
Public safety		416,474
Engineering and public works		1,076,579
Culture and recreation		<u>768,945</u>
Total Governmental Activities		
Depreciation Expense	\$	<u>4,125,903</u>

NOTE G - NONCURRENT LIABILITIES

Governmental Activities

Changes in governmental activities noncurrent liabilities for the year ended September 30, 2014, are summarized as follows:

	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at End of Year</u>	<u>Amounts Due Within One Year</u>
General Obligation Bonds					
Series 2001	\$ 5,790,000	\$ -	\$ 600,000	\$ 5,190,000	\$ 630,000
Series 2005	11,530,000	-	780,000	10,750,000	805,000
Sales Tax Revenue Refunding					
Bonds/Note					
Series 2002	5,240,000	-	5,240,000	-	-
Series 2008	1,150,000	-	140,000	1,010,000	150,000
Series 2013	-	5,270,000	731,528	4,538,472	723,667
Compensated absences	<u>2,928,271</u>	<u>202,292</u>	<u>112,863</u>	<u>3,017,700</u>	<u>160,000</u>
Total long-term debt	26,638,271	<u>\$ 5,472,292</u>	<u>\$ 7,604,391</u>	24,506,172	<u>\$ 2,468,667</u>
Current maturities	(2,320,000)			(2,468,667)	
Unamortized bond discount	<u>(84,123)</u>			<u>(76,963)</u>	
Net long-term debt	<u>\$ 24,234,148</u>			<u>\$ 21,960,542</u>	

The debt service for the Sales Tax Revenue Refunding Bonds/Note is payable from pledged sales tax revenues. General obligation bonds are payable from ad valorem taxes. Compensated absences, pension obligations and other postemployment benefit obligations are generally liquidated by the General Fund from available non-ad valorem revenues.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE G - NONCURRENT LIABILITIES (Continued)

General Obligation Bonds - Series 2001: In July 2001, the Town issued \$11,330,000 in General Obligation Bonds - Series 2001 to finance the acquisition, construction, reconstruction, relocation and equipping of the Town's community center and associated recreational facilities, including incidental costs and bond issuance costs. Interest rates on the general obligation bonds range from 3.50% to 5.50% per annum. Principal and interest are payable January 1 and July 1 with a final maturity on July 1, 2021. The Town has pledged the proceeds of ad valorem tax revenue to secure payment of principal and interest.

The debt service requirements of the General Obligation Bonds - Series 2001 are as follows:

Year Ending September 30	Principal	Interest	Total
2015	\$ 630,000	\$ 282,300	\$ 912,300
2016	660,000	250,800	910,800
2017	700,000	214,500	914,500
2018	735,000	176,000	911,000
2019	780,000	135,575	915,575
2020 - 2021	<u>1,685,000</u>	<u>140,250</u>	<u>1,825,250</u>
	<u>\$ 5,190,000</u>	<u>\$ 1,199,425</u>	<u>\$ 6,389,425</u>

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

The debt service requirements of the General Obligation Bonds - Series 2005 are as follows:

Year Ending September 30	Principal	Interest	Total
2015	\$ 805,000	\$ 423,745	\$ 1,228,745
2016	835,000	396,375	1,231,375
2017	865,000	367,150	1,232,150
2018	895,000	334,713	1,229,713
2019	930,000	301,150	1,231,150
2020 - 2024	5,240,000	916,127	6,156,127
2025	<u>1,180,000</u>	<u>50,150</u>	<u>1,230,150</u>
	<u>\$ 10,750,000</u>	<u>\$ 2,789,410</u>	<u>\$ 13,539,410</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.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE G - NONCURRENT LIABILITIES (Continued)

Sales Tax Revenue Refunding Bonds - Series 2002: In January 2002, the Town issued \$10,235,000 in Sales Tax Revenue Refunding Bonds - Series 2002 to refund all bonds still outstanding from the \$12,150,000 Sales Tax Revenue Bonds - Series 1992. The proceeds of the Series 2002 Bonds were placed in an irrevocable trust to provide resources to purchase U.S. Government securities which were used, along with all interest earnings, for the sole purpose of making all debt service payments on the refunded bonds. The refunding resulted in an economic gain (the difference between the present value of the refunded and refunding bonds) of \$886,459 and reduced the total debt service payments by \$1,334,500. The Series 2002 Bonds were fully paid in November 2013 from the proceeds of the Sales Tax Revenue Refunding Note, Series 2013.

Sales Tax Revenue Refunding Note - Series 2008: In October 2008, the Town issued a \$1,770,000 Sales Tax Revenue Refunding Note - Series 2008 (the "Series 2008 Note") to currently refund the outstanding principal balance of \$1,760,000 for the Sales Tax Revenue Refunding Bonds - Series 1997. The refunding resulted in an economic gain (the difference between the present value of the debt service payments of the refunded and refunding bonds) of \$155,596 and reduced the total debt service payment by \$185,966.

Interest on the Series 2008 Note is payable at 3.62%. Principal and interest are payable March 1 and September 1 with a final maturity on September 1, 2020. The debt service requirements of the Series 2008 Note are as follows:

Year Ending September 30	Principal	Interest	Total
2015	\$ 150,000	\$ 36,562	\$ 186,562
2016	155,000	31,132	186,132
2017	165,000	25,521	190,521
2018	170,000	19,548	189,548
2019	180,000	13,394	193,394
2020	190,000	6,878	196,878
	<u>\$ 1,010,000</u>	<u>\$ 133,035</u>	<u>\$ 1,143,035</u>

Sales Tax Revenue Refunding Note - Series 2013: On November 21, 2013, the Town issued a \$5,270,000 Sales Tax Revenue Refunding Note, Series 2013 (the "Series 2013 Note") to fully pay the outstanding principal balance of \$5,240,000 on the Sales Tax Revenue Refunding Bonds - Series 2002 (the "Series 2002 Bonds"). Principal and accrued interest of \$5,240,000 and \$79,832, respectively, was paid to redeem and retire the Series 2002 Bonds on December 23, 2013. The refunding resulted in an economic gain (the difference between the present value of the debt service payments of the refunded and refunding bonds) of \$676,548 and reduced the total debt service payments by \$725,251. The Series 2013 Note is payable from and secured by the proceeds of Local Government Half-Cent Sales Tax distributed to the Town from the State of Florida Half-Cent Sales Tax Clearing Trust Fund (as defined in the note agreement). Principal and interest on the Series 2013 Note are payable on March 1st and September 1st beginning on March 1, 2014 through September 1, 2020. The interest rate on the Note is 1.76%. The debt service requirements of the Series 2013 Note are as follows:

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE G - NONCURRENT LIABILITIES (Continued)

Year Ending September 30	Principal	Interest	Total
2015	\$ 723,667	\$ 76,707	\$ 800,374
2016	736,459	63,914	800,373
2017	749,478	50,896	800,374
2018	762,727	37,647	800,374
2019	776,210	24,164	800,374
2020	<u>789,931</u>	<u>10,442</u>	<u>800,373</u>
	<u>\$ 4,538,472</u>	<u>\$ 263,770</u>	<u>\$ 4,802,242</u>

Pledged Governmental Revenues: The Town has pledged proceeds of the Local Government Half-Cent Sales Tax distributed to the Town from the State of Florida Half-Cent Sales Tax Clearing Trust fund to secure the payment of principal and interest on the Sales Tax Revenue Refunding Bonds and Notes. The Sales Tax Revenue Refunding Bonds and Notes are payable through the year 2020, solely from the sales tax revenues received by the Town. Annual principal and interest payments on the Sales Tax Revenue Refunding Bonds and Note are expected to require less than 40 percent of the Town's sales tax revenues. Total principal and interest remaining to be paid on the Sales Tax Revenue Refunding Bonds and Notes is \$5,945,277 at September 30, 2014. Principal and interest paid and sales tax revenues received for 2014 were \$6,302,413 (including \$5,240,000 of principal paid to retire the Series 2002 Bonds) and \$4,111,083, respectively.

Business-type Activities

Changes in business-type activities noncurrent liabilities for the year ended September 30, 2014, 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	\$ 7,190,000	\$ -	\$ 720,000	\$ 6,470,000	\$ -
Series 2013	26,570,000	-	1,620,000	24,950,000	-
Stormwater loan	216,000	-	54,000	162,000	54,000
Compensated absences	<u>825,119</u>	<u>59,823</u>	<u>1,688</u>	<u>883,254</u>	<u>75,000</u>
Total long-term debt	34,801,119	<u>\$ 59,823</u>	<u>\$ 2,395,688</u>	32,465,254	<u>\$ 129,000</u>
Current maturities	<u>(1,749,000)</u>			<u>(129,000)</u>	
Net long-term debt	<u>\$ 32,379,339</u>			<u>\$ 32,336,254</u>	

TOWN OF JUPITER, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE G - NONCURRENT LIABILITIES (Continued)

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

Interest on the Series 2010 Note is payable at 3.105% on each April 1st and October 1st beginning on April 1, 2010. Principal payments on the Series 2010 Note are due October 1, 2010, and each October 1st thereafter through maturity on October 1, 2023, and are summarized as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015 (*)	\$ -	\$ 98,619	\$ 98,619
2016	760,000	186,674	946,674
2017	795,000	162,430	957,430
2018	835,000	137,518	972,518
2019	875,000	111,383	986,383
2020 - 2024	<u>3,205,000</u>	<u>254,762</u>	<u>3,459,762</u>
	<u>\$ 6,470,000</u>	<u>\$ 951,386</u>	<u>\$ 7,421,386</u>

(*) Payment made in September 2014 for principal and interest due on October 1, 2014.

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

Interest on the Series 2013 Bonds is payable at 2.11% on each April 1st and October 1st beginning on October 1, 2013. Principal payments on the Series 2013 Bonds are due each October 1st beginning on October 1, 2013, and through maturity on October 1, 2029. The debt service requirements of the Water Revenue Refunding Bonds - Series 2013 are as follows:

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE G - NONCURRENT LIABILITIES (Continued)

Year Ending September 30	Principal	Interest	Total
2015 (*)	\$ -	\$ 263,223	\$ 263,223
2016	1,700,000	508,510	2,208,510
2017	1,765,000	471,954	2,236,954
2018	1,855,000	433,763	2,288,763
2019	1,950,000	393,621	2,343,621
2020 - 2024	8,142,000	1,431,561	9,576,561
2025 - 2029	8,180,000	574,975	8,754,975
2030	1,358,000	14,327	1,372,327
	<u>\$ 24,950,000</u>	<u>\$ 4,091,934</u>	<u>\$ 29,041,934</u>

(*) Payment made in September 2014 for principal and interest due on October 1, 2014.

Stormwater Loan: In January 1997, the Stormwater Utility borrowed \$1,080,000 from a local financial institution through the issuance of a promissory note. The proceeds from this transaction were used to fund improvements to various drainage facilities throughout the Town. Interest is due at 74% of the one month LIBOR and is recalculated the first day of each month (0.135% at September 30, 2014). The Stormwater Loan is payable from and collateralized by the pledged net revenues of the stormwater system (as defined in the loan agreement). Principal and interest are payable January 1st and July 1st through 2017. The debt service requirements of the Stormwater Loan are as follows:

Year Ending September 30	Principal	Interest	Total
2015	\$ 54,000	\$ 217	\$ 54,217
2016	54,000	144	54,144
2017	54,000	72	54,072
	<u>\$ 162,000</u>	<u>\$ 433</u>	<u>\$ 162,433</u>

Pledged Utility Revenues: The Town has pledged the future net revenues (as defined in the bond resolutions and loan agreement, but generally customer revenues and connection charges, net of specified operating expenses) of the water and wastewater 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 45 percent of the System net revenues. Total principal and interest remaining to be paid on the water revenue bonds and note is \$36,463,320 at September 30, 2014. Principal and interest paid on the water revenue bonds and net revenues of the system for 2014 were \$3,126,000 and \$10,562,967, respectively.

The Town has also pledged the future net revenues (as defined in the loan agreement, but generally customer revenues, net of specified operating expenses) of the stormwater utility to repay the outstanding stormwater loan obtained in 1997 to finance improvements to the stormwater system. The stormwater loan is payable solely from the stormwater utility net revenues through 2017.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE G - NONCURRENT LIABILITIES (Continued)

Annual principal and interest payments on the loan are expected to require less than 5 percent of the stormwater utility net revenues. Total principal and interest remaining to be paid on the stormwater utility loan is \$162,433 at September 30, 2014. Principal and interest paid and stormwater utility net revenues for 2014 were \$54,256 and \$1,020,301, respectively.

Defeased Bonds: At September 30, 2014, \$4,405,000 Sales Tax Revenue Bonds - Series 1992; \$5,190,000 Water Revenue Refunding Bonds - Series 1994; \$1,010,000 Sales Tax Revenue Bonds - Series 1997; \$6,470,000 Water Revenue Refunding Bonds - Series 1998; \$4,595,000 Sales Tax Revenue Refunding Bonds - Series 2002; \$4,300,000 Water Revenue Refunding Bonds - Series 2002; and \$20,605,000 Water Revenue Bonds - Series 2003 were outstanding and considered defeased.

Capitalized Interest: In accordance with GAAP the Town capitalizes net interest expense incurred in the acquisition and construction of enterprise fund capital assets financed with the proceeds of tax-exempt borrowings. During the year ended September 30, 2014, the Town's Proprietary Funds incurred total interest charges of \$786,256 of which \$57,176 was capitalized.

Annual Maturities: The aggregate maturities for all long-term debt of the Town at September 30, 2014, are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 2,362,667	\$ 1,181,373	\$ 3,544,040
2016	4,900,459	1,437,549	6,338,008
2017	5,093,478	1,292,523	6,386,001
2018	5,252,727	1,139,188	6,391,915
2019	5,491,210	979,287	6,470,497
2020 - 2024	19,251,931	2,760,021	22,011,952
2025 - 2029	9,360,000	625,125	9,985,125
2030	<u>1,358,000</u>	<u>14,327</u>	<u>1,372,327</u>
	<u>\$ 53,070,472</u>	<u>\$ 9,429,393</u>	<u>\$ 62,499,865</u>

NOTE H - RESTRICTED ASSETS

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

Restricted investments and the related liabilities and restricted net position of the governmental funds at September 30, 2014, are summarized as follows:

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE H - RESTRICTED ASSETS (Continued)

Governmental Funds	<u>Restricted Investments</u>	<u>Liabilities Payable From Restricted Assets</u>	<u>Unspent Debt Proceeds</u>	<u>Restricted Net Position</u>
General obligation bond proceeds restricted for land acquisition	\$ 1,082,881	\$ -	\$ 1,082,881	\$ -
Special projects - Economic development	<u>128,750</u>	<u>-</u>	<u>-</u>	<u>128,750</u>
Total Governmental Funds	<u>\$ 1,211,631</u>	<u>\$ -</u>	<u>\$ 1,082,881</u>	<u>\$ 128,750</u>

Restricted investments, cash and cash equivalents and the related liabilities and restricted net position of the enterprise funds at September 30, 2014 are summarized as follows:

Enterprise Funds	<u>Restricted Investments, Cash and Cash Equivalents</u>	<u>Liabilities Payable From Restricted Assets</u>	<u>Unspent Debt Proceeds</u>	<u>Restricted Net Position</u>
Debt Service Reserve Account	\$ 642,155	\$ -	\$ -	\$ 642,155
Connection Fees Account	3,898,114	36,444	-	3,861,670
Construction Account	<u>6,129,151</u>	<u>50,215</u>	<u>-</u>	<u>6,078,936</u>
Total Enterprise Funds	<u>\$ 10,669,420</u>	<u>\$ 86,659</u>	<u>\$ -</u>	<u>\$ 10,582,761</u>

NOTE I - INTERFUND TRANSACTIONS

Interfund receivables and payables at September 30, 2014 are summarized as follows:

Receivable Fund	Payable Fund	<u>Amount</u>
General Fund	Community Redevelopment Fund	\$ 7,005,093
General Fund	Grant Fund	7,675
Water System Fund	General Fund	55,522
Building Fund	General Fund	<u>900,000</u>
		<u>\$ 7,968,290</u>

The outstanding balances between funds generally result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The amount payable by the Community Redevelopment Fund is for initial working capital and property received from the General Fund and none of the balance is scheduled to be collected in the subsequent year. Interfund transfer activity for the year ended September 30, 2014, is summarized as follows:

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE I - INTERFUND TRANSACTIONS (Continued)

Transfer To	Transfer From	<u>Amount</u>
General Fund	Community Redevelopment Fund	\$ 50,000
General Fund	Nonmajor Governmental Funds	3,061,602
Capital Improvement Fund	Nonmajor Governmental Funds	1,025,000
Water System Fund	Capital Improvements Fund	27,580
Water System Fund	Stormwater Fund	37,816
Water System Fund	Building Fund	6,320
Building Fund	Capital Improvements Fund	72,500
Building Fund	Water System Fund	<u>21,750</u>
		<u>\$ 4,302,568</u>

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

NOTE J - EMPLOYEE RETIREMENT PLANS

The Town of Jupiter administers one single-employer, defined benefit pension plan, the Municipal Police Officers' Retirement Trust (MPORT), which covers all sworn police officers. The Town also participates in the Florida Retirement System (FRS), a multiple-employer, cost-sharing, defined benefit public employee retirement plan which covers all Town employees, excluding sworn police officers covered by MPORT.

Municipal Police Officers' Retirement Trust (MPORT)

The Municipal Police Officers' Retirement Trust (MPORT) is a single-employer, defined benefit pension plan. The plan is administered by the MPORT pension board consisting of five members, two of which are Town residents appointed by the Town Council; two of which are police officers elected by members of the MPORT; and, one person selected by a majority of the other four members and appointed by the Town Council. The Board has the ability to make recommendations on establishing and amending pension plan provisions which can only be authorized by the Town Council. When the Town Council adopted Ordinance 9-95 on March 21, 1995, participation in the plan became mandatory for all full-time police officers entering employment on or after April 1, 1995. The MPORT issues a publicly available, stand-alone financial report. The MPORT financial report may be obtained by writing to the Finance Department, Town of Jupiter, 210 Military Trail, Jupiter, Florida 33458 or by calling (561) 746-5134. Membership in the MPORT was comprised of the following at October 1, 2014, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	45
Vested current employees	97
DROP participants	10
Terminated vested employees not receiving benefits	<u>3</u>
Total	<u>155</u>

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

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 Fund 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, with 25 years of credited service.

Normal retirement benefits are 3.0% (2.75% for Tier Two employees) of the member's average monthly salary multiplied by 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 2 months by which the starting date of the benefit precedes 840 months. The accrued benefit is that portion of a member's normal retirement benefit earned at any point in time. A supplemental benefit of \$100 per month is available for members, plus for members who retire on or after October 1, 2001, a monthly benefit equal to the lesser of (1) \$150 or (2) the greater of (a) \$30 or (b) \$5 multiplied by credited service. The supplemental benefit is reduced for early retirement. Members in DROP are not eligible to receive supplemental benefits until their DROP participation ends.

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

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

Deferred Retirement Option Plan (DROP)

Tier One Members are eligible to enter DROP at the Tier One Normal Retirement Date. Tier Two Members are eligible to enter DROP the first of the month coincident with or next following the earlier of: (1) the Tier Two Normal Retirement Date, or, (2) 22 years of Credited Service regardless of age with no reduction in the Tier Two Accrued Benefit for DROP entry prior to the Tier Two Normal Retirement Date. The Accrued Benefit is frozen at DROP entry and accumulates in DROP. Participants in DROP are not eligible for death or disability benefits. The Supplemental Benefit is not payable while a Member is in DROP. The maximum DROP participation duration was extended from 5 years to 8 years effective March 6, 2012. Members in the DROP on March 6, 2012 were allowed to elect the 8 year DROP by agreeing to pay contributions at the employee contribution rate in effect at DROP entry for the remainder of the initial 5 years of DROP participation with 1/3 of these contributions credited to the members' DROP account. None of the members in DROP on March 6, 2012 exercised this option.

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

For Tier Two DROP entrants, employee contributions continue for all years of DROP participation with 1/4 of these contributions credited to the members' DROP account. Tier Two maximum DROP participation is based on creditable years of service.

The balance of amounts held under DROP was \$2,342,639 at September 30, 2014.

Summary of Significant Accounting Policies

The financial statements of the MPORT are prepared using the economic resources measurement focus and the accrual basis of accounting. Employee and employer contributions are recognized in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Other expenses are recognized when the corresponding liabilities are incurred. Investment income is recognized as revenue when earned. Investments are reported at fair value. Money market mutual funds are reported at amortized cost, which approximates fair value. Securities traded on a national exchange are valued at the last sales price. Net asset values of mutual funds and common trust funds are determined by the fund managers using the fair values of the underlying investments of the fund. Net appreciation or depreciation in the fair value of investments includes the difference between the fair value and cost of the investments held as well as the net realized and unrealized gains and losses for securities sold during the period. Interest and dividend income are recognized on the accrual basis when earned. Purchases and sales of investments are recorded on a trade date basis. Investment earnings are reduced for investment related expenses, such as management fees, portfolio evaluation and custodial services.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

Investments

Investment Policy: The policy in regard to the allocation of invested assets is established and may be amended by a majority vote of the Board of MPORT. It is the policy of the MPORT Board to pursue an investment strategy that reduces risk through the prudent diversification of the investment portfolio across a broad selection of distinct asset classes. The investment policy of MPORT discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. There were no changes in the investment policy of MPORT for the year ended September 30, 2014. The asset allocation policy adopted by the MPORT Board at September 30, 2014 was as follows:

Asset Class	
Domestic equity	32%
International equity	15
Bonds	25
TIPS	5
Convertible securities	8
Real estate	5
REITS	5
Master limited partnerships	5
Total	100%

Rate of Return: For the year ended September 30, 2014, the annual money-weighted rate of return on MPORT's investments, net of investment expenses, was 9.9%. The money-weighted rate of return expresses investment performance, net of investments expenses, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability for MPORT for the most recent actuarial valuation as of October 1, 2013, were as follows:

Total pension liability	\$ 63,326,911
Plan fiduciary net position	(56,943,073)
Net pension liability	\$ 6,383,838
Plan fiduciary net position as a percentage of the total pension liability	89.9%

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

Actuarial Assumptions: The net pension liability of the MPORT was determined by an actuarial valuation as of October 1, 2014, using the following significant actuarial assumptions:

Actuarial cost method	Entry Age Normal Method
Amortization method	Level Percent - Closed Amortization
Amortization period	20 years
Asset valuation method	5 year smoothed market value
Investment rate of return (includes inflation)	7.5%
Projected salary increases attributable to:	
Salary increases	5.00% - 12.27%
Inflation	2.75%
Cost of living adjustments	None
Mortality rates	RP-2000 Combined Mortality Table

The long-term expected rate of return on investments of the pension plans was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce a long-term expected rate of return of 9.2% 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, 2014 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	
Domestic equity	11.1%
International equity	6.4
Bonds	7.6
TIPS	6.2
Convertible securities	9.5
Real estate	7.1
REITS	9.7
Master limited partnerships	16.9

Discount Rate: The discount rate used to measure the total pension liability was 7.5%. The discount rate was based on the expected rate of return on investments of the plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, MPORT's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of the pension plans was applied to all periods of projected benefit payments to determine the projected total pension liability.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following table presents the net pension liability of MPORT, calculated using the discount rate of 7.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

1.0% Decrease (6.5%)	Current Discount Rate (7.5%)	1.0% Increase (8.5%)
\$ 13,623,146	\$ 6,383,838	\$ 328,865

Annual Pension Cost and Net Pension Asset

The annual pension cost, net pension asset and required contribution for the year ended September 30, 2014, were determined by an actuarial valuation as of October 1, 2012, using the same actuarial assumptions as those used for determination of the net pension liability. Normal cost is funded on a current basis. The funding of normal cost and amortization of the actuarial accrued liability is designed to provide sufficient resources to pay employee pension benefits when due. Calculation of the net pension cost and net pension asset for the fiscal year ended September 30, 2014 is summarized as follows:

Annual required contribution	\$ 2,423,160
Interest on net pension obligation	(22,105)
Amortization of net pension obligation	18,213
Annual pension cost	2,419,268
Contributions made	(2,431,252)
Increase in net pension obligation (asset)	(11,984)
Net pension obligation (asset), beginning of year	(291,493)
 Net pension obligation (asset), end of year	 \$ (303,477)

Total contributions by the Town to the Plan in 2014 amounted to \$2,431,252, which equaled the annual required contribution from the Town determined by the actuarial valuation at October 1, 2012. The total required contribution for 2014 was 31.6% of covered payroll at October 1, 2012 (\$7,683,583), of which the State contribution was 7.0% and the Town's contribution was 32.0% of actual covered payroll for 2014.

Trend Information: Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Trend information for the MPORT is as follows:

Schedule of Employer Contributions

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Asset</u>
September 30, 2012	\$ 2,078,662	\$ 2,082,682	100.2%	\$ (287,473)
September 30, 2013	2,470,677	2,473,921	100.1	(291,493)
September 30, 2014	2,419,268	2,431,252	100.5	(303,477)

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
October 1, 2011	\$39,670,189	\$52,225,278	\$12,555,089	76.0%	\$ 8,074,317	155.5%
October 1, 2012	42,031,105	55,429,250	13,398,145	75.8	7,683,583	174.4
October 1, 2013	46,509,727	58,320,035	11,810,308	79.7	7,602,241	155.4

The schedule of funding progress presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AAL for benefits. Actuarial valuations of defined benefit pension plans involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Although the valuation results are based on values the actuarial consultant believes are reasonable assumptions, the valuation result is only an estimate of what future costs may actually be and reflect a long-term perspective. Deviations in any of several factors, such as future investment earnings, salary increases, inflation rates, mortality rates and cost of living adjustments, could result in actual costs being greater or less than estimated.

Florida Retirement System (FRS)

Plan Description: Regular full-time general employees of the Town, including Town Councilors, but excluding police officers covered by the MPORT, participate in the Florida Retirement System ("FRS") administered by the Florida Department of Management Services, Division of Retirement. FRS is a cost-sharing, multiple-employer, defined benefit public employee retirement system that includes approximately 1,000 participating employers consisting of the State of Florida, Counties, Municipalities, District School Boards, Community Colleges, Independent Hospitals, Special Districts and other governmental entities.

Funding Policy: The 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. 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. The unfunded actuarial liability resulting from past and future plan benefit changes, assumption changes, or methodology changes, and actuarial gains and losses are amortized over 30 years, using level percentage of payroll amounts.

Town Contributions: Members are required to contribute 3.0% to FRS. Participating governments, including the Town, contribute to FRS at actuarially determined rates for various classes of employees,

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE J - EMPLOYEE RETIREMENT PLANS (Continued)

which are presently 7.37% of annual covered payroll for employees covered in the regular class, 21.14% for senior management class, 43.24% for elected officials and 12.28% for employees covered in the FRS DROP program. The Town's contributions to FRS for the years ended September 30, 2014, 2013, and 2012, were \$1,149,322, \$858,035, and \$701,733, respectively, and were equal to the required contributions for each year.

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 service. Members initially enrolled on or after July 1, 2011, vest after eight years of creditable service.

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

NOTE K - OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Town administers a single-employer defined benefit health care plan (the "Plan") that provides health care benefits to eligible retired employees and their beneficiaries. The Town Council has the authority to establish and amend the premiums for and the benefit provisions of the Plan. The Plan is financed on a "pay-as-you-go" basis and is not administered as a formal qualifying trust. The Plan does not issue a publicly available financial report. The Town follows GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* ("Statement 45"), for financial reporting and disclosure of other postemployment benefits ("OPEB").

Funding Policy

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 \$576 to a maximum of \$1,424.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation

The annual other postemployment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and the amortization of any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the year ended September 30, 2014 were based on an actuarial valuation as of August 1, 2013, and are summarized as follows:

Annual required contribution		\$	103,000
Interest on net OPEB obligation			17,000
Adjustment to annual required contribution			<u>(31,000)</u>
Annual OPEB cost			89,000
Employer contributions made			(54,000)
Interest on employer contributions			<u>(1,000)</u>
Increase in net OPEB obligation			34,000
Net OPEB obligation, beginning of year			<u>337,000</u>
Net OPEB obligation, end of year		\$	<u><u>371,000</u></u>

The Town's annual OPEB cost, employer contribution, the percentage of annual OPEB cost contributed, and the net OPEB obligation for 2014 and the prior two years are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution (with Interest)</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
September 30, 2012	\$ 72,000	\$ 36,000	50.0%	\$ 305,000
September 30, 2013	89,000	57,000	64.0	337,000
September 30, 2014	89,000	55,000	61.8	371,000

Funded Status and Funding Progress

The Plan has no assets. A schedule of funding progress based on the actuarial results for 2014 and the two prior years is presented as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
January 1, 2010	\$ -	\$ 1,135,000	\$ 1,135,000	0.0%	\$22,120,527	5.1%
January 1, 2012	-	518,000	518,000	0.0	21,989,304	2.4
August 1, 2013	-	653,000	653,000	0.0	21,941,596	3.0

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the most recent actuarial valuation for the Plan as of August 1, 2013, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return (net of administrative expenses), and an annual healthcare cost trend rate of 7.0% initially, reduced by decrements to an ultimate rate of 5.0% after five years. The investment rate includes a 2.75% inflation assumption. The actuarial value of assets will be determined using fair value. The UAAL will be amortized as a level dollar payment on an open basis. The remaining amortization period is 15 years.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Although the valuation results are based on values the actuarial consultant believes are reasonable assumptions, the valuation result is only an estimate of what future costs may actually be and reflect a long-term perspective. Deviations in any of several factors, such as future interest rate discounts, medical cost inflation, Medicare coverage and changes in marital status, could result in actual costs being greater or less than estimated.

NOTE L - FUND DEFICIT AND EXPENDITURES OVER APPROPRIATIONS

The Community Redevelopment Fund had a deficit fund balance of \$5,000,147 at September 30, 2014. 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.

For the year ended September 30, 2014, expenditures exceeded the budgeted appropriations for the following General Fund departments: Town Council (\$3,478) and Town Manager (\$3,503).

NOTE M - COMMITMENTS AND CONTINGENCIES

Contract Commitments: The Town has uncompleted construction contracts for improvements to the utility system, general improvements and infrastructure improvements. The utility construction is funded primarily from bond proceeds and capital contributions. General revenues and impact fees fund the governmental fund improvements. At September 30, 2014, the remaining commitments on all uncompleted contracts were \$6,154,153.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE M - COMMITMENTS AND CONTINGENCIES (Continued)

The outstanding contract commitments at September 30, 2014, are summarized as follows:

	<u>Contract Amount</u>	<u>Payments</u>	<u>Retainage Payable</u>	<u>Remaining Contract Commitment</u>
Capital Improvements Fund	\$ 3,915,600	\$ 466,653	\$ 51,850	\$ 3,397,097
Water System Fund	3,616,317	1,086,956	130,068	2,399,292
Stormwater Fund	<u>385,269</u>	<u>24,460</u>	<u>3,045</u>	<u>357,764</u>
	<u>\$ 7,917,186</u>	<u>\$ 1,578,069</u>	<u>\$ 184,963</u>	<u>\$ 6,154,153</u>

Cost Sharing Agreement: The Town entered into an agreement with the City of Palm Beach Gardens, Florida, ("PBG") and the Town of Juno Beach, Florida, ("Juno") to share costs related to public safety dispatch services. The agreement is for a five-year period ending September 30, 2016 and automatically renews for an additional five-year term unless one of the parties gives notice of termination. The Dispatch Services are provided by PBG which operates the dispatch center. Each municipality's share of the operating costs are based upon the percentage of each municipality's population as compared to the total population of all the contracting municipalities being served. The Town's costs related to the agreement were approximately \$1,583,000 for the year ended September 30, 2014.

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, 2014, the Town had loan guarantees and pledged certificates of deposit totaling approximately \$128,750 to a financial institution as collateral for outstanding loans under the economic development program. The outstanding loan guarantees expire from June 2015 through February 2017, at which time the pledged certificates of deposit mature and the funds will be released to the Town.

Harbourside Development: The Harbourside Development ("Harbourside") is a \$144 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). The Town's CRA has entered into an 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 Harbourside property, up to \$350,000 annually, for a period of 15 years following completion.

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

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

TOWN OF JUPITER, FLORIDA

BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND - GAAP BASIS

For the Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 23,830,428	\$ 23,830,428	\$ 24,220,940	\$ 390,512
Franchise fees	4,283,382	4,283,382	4,529,052	245,670
Licenses and permits	565,317	565,317	659,538	94,221
Intergovernmental revenue	2,141,197	2,141,197	2,348,279	207,082
Charges for services	5,330,750	5,338,952	5,389,275	50,323
Cost allocation	1,215,823	1,215,823	1,215,823	-
Fines and forfeitures	201,000	201,000	809,176	608,176
Investment earnings	273,467	273,467	237,853	(35,614)
Donations	20,000	20,000	17,165	(2,835)
Miscellaneous	127,500	172,670	207,514	34,844
Total Revenues	37,988,864	38,042,236	39,634,615	1,592,379
Other Financing Sources				
Insurance recoveries	-	9,898	51,570	41,672
Sale of capital assets	-	-	31,145	31,145
Appropriated fund balance	346,520	855,028	-	(855,028)
Transfers	2,740,000	2,740,000	3,111,602	371,602
Total Other Financing Sources	3,086,520	3,604,926	3,194,317	(410,609)
Total Revenues and Other Financing Sources	\$ 41,075,384	\$ 41,647,162	\$ 42,828,932	\$ 1,181,770

(Continued)

TOWN OF JUPITER, FLORIDA

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

For the Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT				
Town Council				
Personal services	\$ 11,261	\$ 10,849	\$ 14,306	\$ (3,457)
Operating expenditures	144,884	143,796	143,817	(21)
Donations	25,000	26,500	26,500	-
	<u>181,145</u>	<u>181,145</u>	<u>184,623</u>	<u>(3,478)</u>
Town Manager				
Personal services	537,185	535,140	542,001	(6,861)
Operating expenditures	22,420	24,615	21,257	3,358
	<u>559,605</u>	<u>559,755</u>	<u>563,258</u>	<u>(3,503)</u>
Town Clerk				
Personal services	474,946	472,640	465,270	7,370
Operating expenditures	147,227	149,533	93,354	56,179
	<u>622,173</u>	<u>622,173</u>	<u>558,624</u>	<u>63,549</u>
Neighborhood				
Personal services	234,355	232,957	225,680	7,277
Operating expenditures	111,528	152,143	65,196	86,947
	<u>345,883</u>	<u>385,100</u>	<u>290,876</u>	<u>94,224</u>
External Affairs				
Personal services	333,065	331,293	324,988	6,305
Operating expenditures	139,604	145,461	115,104	30,357
	<u>472,669</u>	<u>476,754</u>	<u>440,092</u>	<u>36,662</u>
Finance				
Personal services	773,001	768,897	736,478	32,419
Operating expenditures	38,342	42,446	21,725	20,721
	<u>811,343</u>	<u>811,343</u>	<u>758,203</u>	<u>53,140</u>
Business Development				
Personal services	456,601	453,068	445,875	7,193
Operating expenditures	63,485	67,018	29,035	37,983
	<u>520,086</u>	<u>520,086</u>	<u>474,910</u>	<u>45,176</u>
Town Attorney				
Operating expenditures	350,320	350,320	296,701	53,619

(Continued)

TOWN OF JUPITER, FLORIDA

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

For the Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Information Systems				
Personal services	\$ 1,156,474	\$ 1,150,436	\$ 1,153,766	\$ (3,330)
Operating expenditures	962,130	992,018	797,900	194,118
Capital outlay	90,225	66,375	64,901	1,474
	<u>2,208,829</u>	<u>2,208,829</u>	<u>2,016,567</u>	<u>192,262</u>
Human Resources				
Personal services	480,520	477,319	461,890	15,429
Operating expenditures	230,445	308,153	175,275	132,878
	<u>710,965</u>	<u>785,472</u>	<u>637,165</u>	<u>148,307</u>
Planning and Zoning				
Personal services	1,199,084	1,196,141	1,176,174	19,967
Operating expenditures	152,075	155,018	55,602	99,416
	<u>1,351,159</u>	<u>1,351,159</u>	<u>1,231,776</u>	<u>119,383</u>
Other General Government				
Personal services	10,000	10,000	275	9,725
Operating expenditures	6,337,606	6,303,587	6,152,647	150,940
	<u>6,347,606</u>	<u>6,313,587</u>	<u>6,152,922</u>	<u>160,665</u>
Total General Government	<u>14,481,783</u>	<u>14,565,723</u>	<u>13,605,717</u>	<u>960,006</u>
PUBLIC SAFETY				
Code Compliance				
Personal services	542,374	519,354	462,006	57,348
Operating expenditures	74,335	74,335	56,278	18,057
Capital outlay	-	19,680	-	19,680
	<u>616,709</u>	<u>613,369</u>	<u>518,284</u>	<u>95,085</u>

(Continued)

TOWN OF JUPITER, FLORIDA

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

For the Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
PUBLIC SAFETY				
Police				
Personal services	\$ 15,134,477	\$ 15,068,260	\$ 14,518,545	\$ 549,715
Operating expenditures	3,035,657	3,396,584	3,288,359	108,225
Capital outlay	14,000	176,599	158,181	18,418
Debt service	175,200	175,200	-	175,200
	<u>18,359,334</u>	<u>18,816,643</u>	<u>17,965,085</u>	<u>851,558</u>
Total Public Safety	<u>18,976,043</u>	<u>19,430,012</u>	<u>18,483,369</u>	<u>946,643</u>
ENGINEERING AND PUBLIC WORKS				
Engineering				
Personal services	1,121,396	1,114,883	1,042,711	72,172
Operating expenditures	52,200	61,982	50,366	11,616
	<u>1,173,596</u>	<u>1,176,865</u>	<u>1,093,077</u>	<u>83,788</u>
Public Works				
Personal services	2,593,871	2,552,850	2,362,561	190,289
Operating expenditures	1,635,047	1,709,668	1,654,541	55,127
Capital outlay	106,000	103,000	74,215	28,785
	<u>4,334,918</u>	<u>4,365,518</u>	<u>4,091,317</u>	<u>274,201</u>
Total Engineering and Public Works	<u>5,508,514</u>	<u>5,542,383</u>	<u>5,184,394</u>	<u>357,989</u>
CULTURE AND RECREATION				
Parks and Recreation				
Personal services	1,175,694	1,170,514	1,137,903	32,611
Operating expenditures	933,350	938,530	861,167	77,363
Total Culture and Recreation	<u>2,109,044</u>	<u>2,109,044</u>	<u>1,999,070</u>	<u>109,974</u>
Total Expenditures	<u>41,075,384</u>	<u>41,647,162</u>	<u>39,272,550</u>	<u>2,374,612</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,556,382</u>	<u>\$ 3,556,382</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 727,206	\$ 727,206	\$ 720,678	\$ (6,528)
Intergovernmental	1,550,983	1,550,983	-	(1,550,983)
Charges for services	41,300	41,300	48,980	7,680
Investment earnings	2,000	2,000	127,698	125,698
Miscellaneous	-	-	94,236	94,236
Total Revenues	<u>2,321,489</u>	<u>2,321,489</u>	<u>991,592</u>	<u>(1,329,897)</u>
EXPENDITURES				
General government				
Personal services	188,367	187,773	184,708	3,065
Operating expenditures	214,188	265,215	209,929	55,286
Capital outlay	11,723,000	13,348,951	1,545,233	11,803,718
Interest and fiscal charges	171,267	171,267	171,267	-
Total Expenditures	<u>12,296,822</u>	<u>13,973,206</u>	<u>2,111,137</u>	<u>11,862,069</u>
Revenues Over (Under) Expenditures	(9,975,333)	(11,651,717)	(1,119,545)	10,532,172
OTHER FINANCING SOURCES (USES)				
Transfers in	774,173	-	-	-
Transfers out	(50,000)	(50,000)	(50,000)	-
Appropriated fund balance	9,251,160	11,701,717	-	(11,701,717)
Total Other Financing Sources (Uses)	<u>9,975,333</u>	<u>11,651,717</u>	<u>(50,000)</u>	<u>(11,701,717)</u>
Revenues Under Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,169,545)</u>	<u>\$ (1,169,545)</u>

See notes to budgetary comparison schedules.

TOWN OF JUPITER, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULES

SEPTEMBER 30, 2014

NOTE A - BUDGETARY ACCOUNTING

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

For the fiscal year ended September 30, 2014, supplemental budget appropriations of approximately \$571,778 for the General Fund and \$1,676,384 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, 2014, the Town had commitments related to unperformed contracts, which have been re-appropriated in the 2014-2015 annual budget. These amounts are not included in the current year's expenditures as reported in the budgetary comparison schedules.

NOTE B - BUDGET AND ACTUAL COMPARISONS

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

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

NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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.

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

Law Enforcement 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.

Maplewood Park Development Fund - This fund accounts for monies received for the development of Maplewood Park.

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

Sales Tax Revenue Bond Debt Service Fund - This fund accounts for distributions received from the State of Florida for the Local Government Half-Cent Sales Tax that are pledged for payment of principal, interest and related fiscal charges on the \$1,770,000 Sales Tax Revenue Refunding Note, Series 2008 and \$5,270,000 Sales Tax Revenue Refunding Note, Series 2002

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

TOWN OF JUPITER, FLORIDA

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

September 30, 2014

	Special Revenue				
	Road Impact Fee Fund	Recreation Impact Fee Fund	Police Impact Fee Fund	Law Enforcement Grant Fund	Juvenile First Offender Fund
ASSETS					
Cash and cash equivalents	\$ 1,999,945	\$ 985,972	\$ 214,444	\$ -	\$ 3,339
Investments	734,627	171,874	19,576	-	-
Grants receivable	-	-	-	7,784	-
Total Assets	<u>\$ 2,734,572</u>	<u>\$ 1,157,846</u>	<u>\$ 234,020</u>	<u>\$ 7,784</u>	<u>\$ 3,339</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 109	\$ -
Due to other funds	-	-	-	7,675	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,784</u>	<u>-</u>
FUND BALANCES					
Restricted for:					
Debt service	-	-	-	-	-
Capital projects	2,734,572	1,157,846	-	-	-
Law enforcement	-	-	234,020	-	3,339
Total Fund Balances	<u>2,734,572</u>	<u>1,157,846</u>	<u>234,020</u>	<u>-</u>	<u>3,339</u>
Total Liabilities and Fund Balances	<u>\$ 2,734,572</u>	<u>\$ 1,157,846</u>	<u>\$ 234,020</u>	<u>\$ 7,784</u>	<u>\$ 3,339</u>

Special Revenue		Debt Service		Total Nonmajor Governmental Funds
Law Enforcement Fund	Maplewood Park Development Fund	Sales Tax Revenue Bond Debt Service Fund	Community Center Debt Service Fund	
\$ 92,694	\$ 3,956	\$ 1,056,325	\$ 335,143	\$ 4,691,818
1,623	728	-	-	928,428
-	-	-	-	7,784
<u>\$ 94,317</u>	<u>\$ 4,684</u>	<u>\$ 1,056,325</u>	<u>\$ 335,143</u>	<u>\$ 5,628,030</u>
\$ -	\$ -	\$ -	\$ -	\$ 109
-	-	-	-	7,675
-	-	-	-	7,784
-	-	1,056,325	335,143	1,391,468
-	4,684	-	-	3,897,102
94,317	-	-	-	331,676
<u>94,317</u>	<u>4,684</u>	<u>1,056,325</u>	<u>335,143</u>	<u>5,620,246</u>
<u>\$ 94,317</u>	<u>\$ 4,684</u>	<u>\$ 1,056,325</u>	<u>\$ 335,143</u>	<u>\$ 5,628,030</u>

TOWN OF JUPITER, FLORIDA

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

For the Year Ended September 30, 2014

	Special Revenue				
	Road Impact Fee Fund	Recreation Impact Fee Fund	Police Impact Fee Fund	Law Enforcement Grant Fund	Juvenile First Offender Fund
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Impact fees	704,112	603,973	48,896	-	-
Intergovernmental	-	-	-	18,237	-
Investment earnings (loss)	253	59	7	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>704,365</u>	<u>604,032</u>	<u>48,903</u>	<u>18,237</u>	<u>-</u>
EXPENDITURES					
Current					
Public safety	-	-	-	-	-
Capital outlay	-	-	-	18,237	-
Debt service					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,237</u>	<u>-</u>
Revenues Over (Under) Expenditures	704,365	604,032	48,903	-	-
OTHER FINANCING SOURCES (USES)					
Refunding debt issued	-	-	-	-	-
Transfers out	<u>(125,000)</u>	<u>(900,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(125,000)</u>	<u>(900,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	579,365	(295,968)	48,903	-	-
Fund balances at beginning of year	<u>2,155,207</u>	<u>1,453,814</u>	<u>185,117</u>	<u>-</u>	<u>3,339</u>
Fund balances at end of year	<u>\$ 2,734,572</u>	<u>\$ 1,157,846</u>	<u>\$ 234,020</u>	<u>\$ -</u>	<u>\$ 3,339</u>

Special Revenue		Debt Service		Total Nonmajor Governmental Funds
Law Enforcement Fund	Maplewood Park Development Fund	Sales Tax Revenue Bond Debt Service Fund	Community Center Debt Service Fund	
\$ -	\$ -	\$ -	\$ 2,181,001	\$ 2,181,001
-	-	-	-	1,356,981
-	-	4,111,083	-	4,129,320
1	-	(67)	(61)	192
<u>77,314</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,314</u>
<u>77,315</u>	<u>-</u>	<u>4,111,016</u>	<u>2,180,940</u>	<u>7,744,808</u>
47,799	-	-	-	47,799
-	-	-	-	18,237
-	-	6,111,528	1,380,000	7,491,528
-	-	207,886	766,172	974,058
<u>47,799</u>	<u>-</u>	<u>6,319,414</u>	<u>2,146,172</u>	<u>8,531,622</u>
29,516	-	(2,208,398)	34,768	(786,814)
-	-	5,270,000	-	5,270,000
-	-	(3,061,602)	-	(4,086,602)
<u>-</u>	<u>-</u>	<u>2,208,398</u>	<u>-</u>	<u>1,183,398</u>
29,516	-	-	34,768	396,584
<u>64,801</u>	<u>4,684</u>	<u>1,056,325</u>	<u>300,375</u>	<u>5,223,662</u>
<u>\$ 94,317</u>	<u>\$ 4,684</u>	<u>\$ 1,056,325</u>	<u>\$ 335,143</u>	<u>\$ 5,620,246</u>

TOWN OF JUPITER, FLORIDA

BUDGETARY COMPARISON SCHEDULE -
SALES TAX REVENUE BOND DEBT SERVICE FUND

For the Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,700,000	\$ 3,700,000	\$ 4,111,083	\$ 411,083
Investment earnings (loss)	7,000	7,000	(67)	(7,067)
Total Revenues	<u>3,707,000</u>	<u>3,707,000</u>	<u>4,111,016</u>	<u>404,016</u>
EXPENDITURES				
Principal retirement	785,000	785,000	6,111,528	(5,326,528)
Interest and fiscal charges	300,233	305,733	207,886	97,847
Contingency	21,767	16,267	-	16,267
Total Expenditures	<u>1,107,000</u>	<u>1,107,000</u>	<u>6,319,414</u>	<u>(5,212,414)</u>
Revenues Over (Under) Expenditures	2,600,000	2,600,000	(2,208,398)	(4,808,398)
OTHER FINANCING SOURCES (USES)				
Refunding debt issued	-	-	5,270,000	(5,270,000)
Transfers out	(2,600,000)	(2,600,000)	(3,061,602)	(461,602)
	<u>(2,600,000)</u>	<u>(2,600,000)</u>	<u>2,208,398</u>	<u>(5,731,602)</u>
Revenues Under Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,540,000)</u>

TOWN OF JUPITER, FLORIDA

BUDGETARY COMPARISON SCHEDULE -
COMMUNITY CENTER DEBT SERVICE FUND

For the Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,144,845	\$ 2,144,845	\$ 2,181,001	\$ 36,156
Investment earnings (loss)	1,500	1,500	(61)	(1,561)
Total Revenues	<u>2,146,345</u>	<u>2,146,345</u>	<u>2,180,940</u>	<u>34,595</u>
EXPENDITURES				
Principal retirement	1,380,000	1,380,000	1,380,000	-
Interest and fiscal charges	<u>766,345</u>	<u>766,345</u>	<u>766,172</u>	<u>173</u>
Total Expenditures	<u>2,146,345</u>	<u>2,146,345</u>	<u>2,146,172</u>	<u>173</u>
Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,768</u>	<u>\$ 34,768</u>

TOWN OF JUPITER, FLORIDA

BUDGETARY COMPARISON SCHEDULE -
CAPITAL IMPROVEMENTS FUND

For the Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,083,675	\$ 2,083,675	\$ 2,106,011	\$ 22,336
Intergovernmental	-	2,400,933	137,508	(2,263,425)
Charges for services	231,600	231,600	-	(231,600)
Fines and forfeitures	50,000	175,000	-	(175,000)
Investment earnings	-	-	6,227	6,227
Donations	-	250,000	-	(250,000)
Miscellaneous	75,000	187,000	76,089	(110,911)
Assigned fund balance	615,175	9,329,527	-	(9,329,527)
Total Revenues	3,055,450	14,657,735	2,325,835	(12,331,900)
EXPENDITURES				
General Government				
Town Council				
Aid to private organizations	-	50,000	-	50,000
Contingency	-	1,077,055	-	1,077,055
	-	1,127,055	-	1,127,055
Other General Government				
Operating expenditures	231,198	582,981	305,724	277,257
Capital outlay	923,257	7,182,859	308,773	6,874,086
	1,154,455	7,765,840	614,497	7,151,343
Engineering and Public Works				
Operating expenditures	1,000,000	1,555,078	868,785	686,293
Capital outlay	16,250	2,782,750	340,315	2,442,435
	1,016,250	4,337,828	1,209,100	3,128,728
Culture and Recreation				
Operating expenditures	156,600	245,484	633,322	(387,838)
Capital outlay	1,528,065	2,306,448	1,322,392	984,056
	1,684,665	2,551,932	1,955,714	596,218
Total Expenditures	3,855,370	15,782,655	3,779,311	12,003,344
Revenues Over (Under) Expenditures	(799,920)	(1,124,920)	(1,453,476)	(328,556)
OTHER FINANCING SOURCES (USES)				
Transfers in	900,000	1,225,000	1,025,000	(200,000)
Transfers out	(100,080)	(100,080)	(100,080)	-
Total Other Financing Sources (Uses)	799,920	1,124,920	924,920	(200,000)
Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	\$ -	\$ -	\$ (528,556)	\$ (528,556)

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents	Page
Financial Trends	75
<i>These schedules contain trend information to help the reader understand how the Town’s financial performance and well-being have changed over time.</i>	
Revenue Capacity	90
<i>These schedules contain information to help the reader assess the Town’s most significant local revenue source, the property tax.</i>	
Debt Capacity	96
<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	102
<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	104
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the Town’s financial report relates to the services the Town of Jupiter provides and the activities it performs.</i>	

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

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

	Fiscal Year			
	2005	2006	2007	2008
Governmental activities				
Net investment in capital assets	\$ 27,854,571	\$ 38,331,204	\$ 42,966,091	\$ 50,599,939
Restricted	2,373,819	4,738,207	3,404,901	3,299,313
Unrestricted	19,780,034	16,640,910	27,659,125	29,199,631
Total governmental activities net position	<u>\$ 50,008,424</u>	<u>\$ 59,710,321</u>	<u>\$ 74,030,117</u>	<u>\$ 83,098,883</u>
Business-type activities				
Net investment in capital assets	\$ 42,415,220	\$ 44,293,482	\$ 108,162,340	\$ 141,970,517
Restricted	9,283,546	10,205,368	11,264,500	4,938,862
Unrestricted	50,360,148	57,064,251	56,702,705	55,878,064
Total business-type activities net position	<u>\$ 102,058,914</u>	<u>\$ 111,563,101</u>	<u>\$ 176,129,545</u>	<u>\$ 202,787,443</u>
Primary government				
Net investment in capital assets	\$ 70,269,791	\$ 82,624,686	\$ 151,128,431	\$ 192,570,456
Restricted	11,657,365	14,943,575	14,669,401	8,238,175
Unrestricted	70,140,182	73,705,161	84,361,830	85,077,695
Total primary government net position	<u>\$ 152,067,338</u>	<u>\$ 171,273,422</u>	<u>\$ 250,159,662</u>	<u>\$ 285,886,326</u>

TABLE 1

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 55,852,845	\$ 56,460,166	\$ 62,008,335	\$ 64,292,660	\$ 67,755,359	\$ 74,609,024
6,994,602	3,889,822	3,848,303	4,860,324	5,764,100	5,108,494
<u>24,642,751</u>	<u>31,551,511</u>	<u>28,667,394</u>	<u>30,580,833</u>	<u>36,068,411</u>	<u>38,821,882</u>
<u>\$ 87,490,198</u>	<u>\$ 91,901,499</u>	<u>\$ 94,524,032</u>	<u>\$ 99,733,817</u>	<u>\$ 109,587,870</u>	<u>\$ 118,539,400</u>
\$ 163,110,644	\$ 169,056,109	\$ 172,379,676	\$ 176,555,586	\$ 178,559,717	\$ 184,306,940
8,903,665	5,034,126	3,147,578	4,624,949	2,796,683	10,582,761
<u>32,584,898</u>	<u>34,403,274</u>	<u>37,763,056</u>	<u>39,501,057</u>	<u>54,289,023</u>	<u>54,651,166</u>
<u>\$ 204,599,207</u>	<u>\$ 208,493,509</u>	<u>\$ 213,290,310</u>	<u>\$ 220,681,592</u>	<u>\$ 235,645,423</u>	<u>\$ 249,540,867</u>
\$ 218,963,489	\$ 225,516,275	\$ 234,388,011	\$ 240,848,246	\$ 246,315,076	\$ 258,915,964
15,898,267	8,923,948	6,995,881	9,485,273	8,560,783	15,691,255
<u>57,227,649</u>	<u>65,954,785</u>	<u>66,430,450</u>	<u>70,081,890</u>	<u>90,357,434</u>	<u>93,473,048</u>
<u>\$ 292,089,405</u>	<u>\$ 300,395,008</u>	<u>\$ 307,814,342</u>	<u>\$ 320,415,409</u>	<u>\$ 345,233,293</u>	<u>\$ 368,080,267</u>

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

	Fiscal Year			
	2005	2006	2007	2008
Expenses				
Governmental activities:				
General government	\$ 18,946,778	\$ 13,584,322	\$ 13,408,122	\$ 14,287,223
Public safety	14,046,805	16,149,448	16,731,886	18,147,797
Engineering and public works	4,423,542	5,286,228	6,294,232	6,009,427
Culture and recreation	4,237,218	4,501,017	4,949,779	5,228,172
Interest on long-term debt	1,309,845	1,689,889	1,770,808	1,565,327
Total governmental activities expenses	<u>42,964,188</u>	<u>41,210,904</u>	<u>43,154,827</u>	<u>45,237,946</u>
Business-type activities:				
Water system	14,646,412	16,711,621	19,133,384	18,296,030
Stormwater	1,285,287	1,487,843	1,643,878	1,615,971
Building	3,745,764	4,226,029	4,141,495	4,120,508
Total business-type activities expenses	<u>19,677,463</u>	<u>22,425,493</u>	<u>24,918,757</u>	<u>24,032,509</u>
Total primary government expenses	<u>\$ 62,641,651</u>	<u>\$ 63,636,397</u>	<u>\$ 68,073,584</u>	<u>\$ 69,270,455</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,773,144	\$ 2,120,590	\$ 1,895,476	\$ 1,974,686
Public safety	415,958	287,212	328,739	407,682
Engineering and public works	1,907,105	1,814,437	2,421,885	2,878,267
Culture and recreation	849,193	928,904	1,092,519	1,398,494
Operating contributions and grants:				
General government	8,619,299	2,058,310	258,545	261,519
Public safety	513,506	1,675,355	929,931	801,600
Engineering and public works	-	-	483,282	123,908
Culture and recreation	-	250	1,750	107,984
Capital contributions and grants:				
General government	171,826	1,427,694	3,055,523	-
Public safety	104,259	80,307	25,594	26,533
Engineering and public works	880,619	1,281,634	1,101,957	2,777,552
Culture and recreation	1,084,124	506,773	2,246,989	1,527,418
Total governmental activities program revenues	<u>16,319,033</u>	<u>12,181,466</u>	<u>13,842,190</u>	<u>12,285,643</u>
Business-type activities:				
Charges for services:				
Water system	15,617,642	18,025,713	18,492,083	17,290,394
Stormwater	1,857,169	1,953,393	2,034,160	2,168,975
Building	4,051,018	3,353,980	2,394,234	3,093,660
Operating contributions and grants	119,592	1,000,820	708,493	1,189,612
Capital contributions and grants	3,855,217	5,338,511	8,887,147	9,536,664
Total business-type activities program revenues	<u>25,500,638</u>	<u>29,672,417</u>	<u>32,516,117</u>	<u>33,279,305</u>
Total primary government program revenues	<u>\$ 41,819,671</u>	<u>\$ 41,853,883</u>	<u>\$ 46,358,307</u>	<u>\$ 45,564,948</u>

TABLE 2

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 15,353,666	\$ 14,371,564	\$ 14,323,669	\$ 16,091,515	\$ 14,933,432	\$ 16,024,110
18,486,726	18,954,687	19,673,761	17,729,810	18,331,070	18,887,625
5,241,771	5,122,616	6,528,027	6,442,702	7,248,818	7,093,266
4,821,268	4,758,188	2,652,672	3,016,009	3,093,620	3,455,019
1,503,512	1,593,818	1,500,093	1,239,033	1,485,453	1,122,371
<u>45,406,943</u>	<u>44,800,873</u>	<u>44,678,222</u>	<u>44,519,069</u>	<u>45,092,393</u>	<u>46,582,391</u>
19,073,788	19,396,117	20,990,063	18,403,380	18,610,942	18,222,704
3,508,053	2,442,584	2,098,838	1,718,311	2,181,847	1,893,252
1,595,607	1,705,144	1,813,180	1,957,962	2,183,139	3,076,617
<u>24,177,448</u>	<u>23,543,845</u>	<u>24,902,081</u>	<u>22,079,653</u>	<u>22,975,928</u>	<u>23,192,573</u>
<u>\$ 69,584,391</u>	<u>\$ 68,344,718</u>	<u>\$ 69,580,303</u>	<u>\$ 66,598,722</u>	<u>\$ 68,068,321</u>	<u>\$ 69,774,964</u>
\$ 1,967,052	\$ 1,769,386	\$ 1,809,671	\$ 3,628,914	\$ 1,979,330	\$ 2,019,811
495,734	458,345	439,169	411,540	1,425,790	955,659
3,732,945	3,757,434	3,903,793	3,834,291	4,056,816	4,004,341
1,046,308	1,065,101	1,153,067	1,268,445	1,110,597	1,237,217
528,545	391,624	492,366	542,843	410,317	353,933
1,792,267	724,085	1,124,759	774,117	539,098	648,631
66,270	1,037,859	564,822	615,530	351,944	295,946
1,252	1,600	850	-	-	-
-	37,744	28,692	47,489	3,164,600	5,105,599
14,611	47,604	96,531	145,885	105,781	57,829
211,386	252,033	407,317	315,544	1,100,924	705,201
231,106	573,311	405,680	648,609	813,965	618,173
<u>10,087,476</u>	<u>10,116,126</u>	<u>10,426,717</u>	<u>12,233,207</u>	<u>15,059,162</u>	<u>16,002,340</u>
19,315,320	20,523,135	21,417,375	21,000,147	22,440,834	22,265,341
2,197,749	2,690,966	2,846,776	2,312,723	2,271,598	2,333,048
2,199,206	2,228,147	2,372,383	3,489,761	7,059,912	5,914,206
-	-	-	18,679	221,108	-
2,127,561	1,949,571	2,778,957	2,362,492	5,598,928	6,266,867
<u>25,839,836</u>	<u>27,391,819</u>	<u>29,415,491</u>	<u>29,183,802</u>	<u>37,592,380</u>	<u>36,779,462</u>
<u>\$ 35,927,312</u>	<u>\$ 37,507,945</u>	<u>\$ 39,842,208</u>	<u>\$ 41,417,009</u>	<u>\$ 52,651,542</u>	<u>\$ 52,781,802</u>

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

	Fiscal Year			
	2005	2006	2007	2008
Net (expense)/revenue				
Governmental activities	\$ (26,645,155)	\$ (29,029,438)	\$ (29,312,637)	\$ (32,952,303)
Business-type activities	5,823,175	7,246,924	7,597,360	9,246,796
Total primary government net expense	<u>\$ (20,821,980)</u>	<u>\$ (21,782,514)</u>	<u>\$ (21,715,277)</u>	<u>\$ (23,705,507)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes:				
Property taxes	\$ 16,073,394	\$ 19,992,043	\$ 23,511,088	\$ 22,831,835
Franchise fees	3,277,836	3,988,849	3,553,452	4,776,445
Public service taxes	3,022,429	3,244,311	4,029,560	3,182,084
Communications services taxes	2,760,079	2,868,015	2,978,156	3,055,157
Sales taxes	3,403,193	3,651,102	3,601,718	3,482,757
Gas taxes	1,041,816	1,129,143	1,086,857	1,039,154
Intergovernmental, unrestricted	1,469,757	587,889	1,237,424	1,155,681
Investment earnings	307,771	2,013,212	2,557,537	1,153,427
Other	-	-	42,047	-
Transfers	1,156,524	1,256,771	1,034,594	1,344,529
Total governmental activities	<u>32,512,799</u>	<u>38,731,335</u>	<u>43,632,433</u>	<u>42,021,069</u>
Business-type activities:				
Intergovernmental, unrestricted	-	-	-	-
Gain on sale of capital assets	-	-	-	-
Investment earnings	1,829,499	3,514,034	4,508,078	1,948,718
Other	-	-	-	-
Transfers	(1,156,524)	(1,256,771)	(1,034,594)	(1,344,529)
Total business-type activities	<u>672,975</u>	<u>2,257,263</u>	<u>3,473,484</u>	<u>604,189</u>
Total primary government	<u>\$ 33,185,774</u>	<u>\$ 40,988,598</u>	<u>\$ 47,105,917</u>	<u>\$ 42,625,258</u>
Changes in Net Assets				
Governmental activities	\$ 5,867,644	\$ 9,701,897	\$ 14,319,796	\$ 9,068,766
Business-type activities	6,496,150	9,504,187	11,070,844	9,850,985
Total primary government	<u>\$ 12,363,794</u>	<u>\$ 19,206,084</u>	<u>\$ 25,390,640</u>	<u>\$ 18,919,751</u>

TABLE 2

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ (35,319,467)	\$ (34,684,747)	\$ (34,251,505)	\$ (32,285,862)	\$ (30,033,231)	\$ (30,580,051)
1,662,388	3,847,974	4,513,410	7,104,149	14,616,452	13,586,889
<u>\$ (33,657,079)</u>	<u>\$ (30,836,773)</u>	<u>\$ (29,738,095)</u>	<u>\$ (25,181,713)</u>	<u>\$ (15,416,779)</u>	<u>\$ (16,993,162)</u>
\$ 22,750,485	\$ 21,458,933	\$ 19,904,132	\$ 19,919,566	\$ 20,150,640	\$ 20,884,758
4,715,332	4,479,142	4,348,334	4,273,931	4,182,628	4,529,052
3,337,851	3,612,409	3,678,961	3,751,163	3,967,109	4,340,039
3,697,912	3,246,760	3,070,359	3,051,291	2,830,528	2,801,452
3,077,029	3,064,115	3,224,952	3,596,953	3,793,323	4,111,083
990,923	986,051	1,073,744	1,133,849	1,146,761	1,202,381
991,315	1,023,881	1,077,577	1,157,751	1,329,434	1,487,636
31,685	706,744	429,981	469,158	652,258	275,260
-	-	27,610	41,102	2,284,727	-
118,250	518,013	38,388	100,883	(298,952)	(100,080)
<u>39,710,782</u>	<u>39,096,048</u>	<u>36,874,038</u>	<u>37,495,647</u>	<u>40,038,456</u>	<u>39,531,581</u>
71,747	-	-	-	-	-
-	-	-	7,192	-	-
195,879	564,341	321,779	380,824	215,677	204,322
-	-	-	-	-	4,153
<u>(118,250)</u>	<u>(518,013)</u>	<u>(38,388)</u>	<u>(100,883)</u>	<u>298,952</u>	<u>100,080</u>
<u>149,376</u>	<u>46,328</u>	<u>283,391</u>	<u>287,133</u>	<u>514,629</u>	<u>308,555</u>
<u>\$ 39,860,158</u>	<u>\$ 39,142,376</u>	<u>\$ 37,157,429</u>	<u>\$ 37,782,780</u>	<u>\$ 40,553,085</u>	<u>\$ 39,840,136</u>
\$ 4,391,315	\$ 4,411,301	\$ 2,622,533	\$ 5,209,785	\$ 10,005,225	\$ 8,951,530
1,811,764	3,894,302	4,796,801	7,391,282	15,131,081	13,895,444
<u>\$ 6,203,079</u>	<u>\$ 8,305,603</u>	<u>\$ 7,419,334</u>	<u>\$ 12,601,067</u>	<u>\$ 25,136,306</u>	<u>\$ 22,846,974</u>

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

TABLE 3

Fiscal Year	Property Taxes	Franchise Fees	Public Service Taxes	Communi- cations Services Taxes	Sales Taxes	Gas Taxes	Total
2005	\$ 16,073,394	\$ 3,277,836	\$ 3,022,429	\$ 2,760,079	\$ 3,403,193	\$ 1,041,816	\$ 29,578,747
2006	19,992,043	3,988,849	3,244,311	2,868,015	3,651,102	1,129,143	34,873,463
2007	23,511,088	3,553,452	4,029,560	2,978,156	3,601,718	1,086,857	38,760,831
2008	22,831,835	4,776,445	3,182,084	3,055,157	3,482,757	1,039,154	38,367,432
2009	22,750,835	4,715,332	3,337,851	3,697,912	3,077,029	990,923	38,569,882
2010	21,458,933	4,479,142	3,612,409	3,246,760	3,064,115	986,051	36,847,410
2011	19,904,132	4,348,334	3,678,961	3,070,359	3,224,952	1,073,744	35,300,482
2012	19,919,566	4,273,931	3,751,163	3,051,291	3,596,953	1,133,849	35,726,753
2013	20,150,640	4,182,628	3,967,109	2,830,528	3,793,323	1,146,761	36,070,989
2014	20,884,758	4,529,052	4,340,039	2,801,452	4,111,083	1,202,381	37,868,765

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

	Fiscal Year			
	2005	2006	2007	2008
General Fund				
Reserved	\$ 2,970,011	\$ 3,189,594	\$ 3,309,636	\$ 3,081,360
Unreserved				
Designated for subsequent year's budget	-	-	-	-
Undesignated	7,194,624	5,348,814	10,221,918	13,283,983
Nonspendable:				
Inventory	-	-	-	-
Prepaid items	-	-	-	-
Advance due from other fund	-	-	-	-
Note receivable	-	-	-	-
Restricted for:				
Law enforcement	-	-	-	-
Special projects	-	-	-	-
Assigned to:				
Subsequent year's budget	-	-	-	-
Health insurance	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 10,164,635</u>	<u>\$ 8,538,408</u>	<u>\$ 13,531,554</u>	<u>\$ 16,365,343</u>
All other governmental funds				
Reserved	\$ 12,080,484	\$ 10,636,873	\$ 16,215,408	\$ 7,955,537
Unreserved				
Designated for subsequent year's budget	5,467,999	5,049,860	917,547	353,350
Undesignated (deficit), reported in:				
Special revenue funds	(619,040)	2,923,176	(867,202)	(101,569)
Capital projects fund	3,223,098	-	9,467,459	11,361,738
Debt service funds	3,499,130	4,761,992	92,653	96,172
Nonspendable:				
Prepaid items	-	-	-	-
Note receivable	-	-	-	-
Restricted for:				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Law enforcement	-	-	-	-
Special projects	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned Special Revenue Funds (deficit)	-	-	-	-
Total all other governmental funds	<u>\$ 23,651,671</u>	<u>\$ 23,371,901</u>	<u>\$ 25,825,865</u>	<u>\$ 19,665,228</u>

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

TABLE 4

Fiscal Year						
2009	2010	2011	2012	2013	2014	
\$ -	\$ 8,544,901	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,071,105	-	-	-	-	-
14,617,020	14,582,473	-	-	-	-	-
-	-	74,900	55,682	55,551	58,469	
-	-	96,754	74,758	106,594	68,699	
-	-	5,817,246	7,210,178	6,837,333	7,005,093	
-	-	350,000	4,795	14,000	280,349	
-	-	95,760	102,862	396,824	442,379	
-	-	1,685,000	1,825,000	1,240,000	128,750	
-	-	389,963	437,249	437,249	563,478	
-	-	-	350,000	350,000	-	
-	-	15,189,275	16,197,279	19,384,430	24,281,146	
<u>\$ 14,617,020</u>	<u>\$ 24,198,479</u>	<u>\$ 23,698,898</u>	<u>\$ 26,257,803</u>	<u>\$ 28,821,981</u>	<u>\$ 32,828,363</u>	
\$ 7,062,834	\$ 7,928,057	\$ -	\$ -	\$ -	\$ -	
114,576	-	-	-	-	-	
(179,513)	(3,968,849)	-	-	-	-	
13,273,299	15,044,109	-	-	-	-	
415,208	498,007	-	-	-	-	
-	-	295	25,000	-	480	
-	-	1,257,125	1,857,930	816,501	131,687	
-	-	1,016,875	1,351,853	1,356,700	1,391,468	
-	-	1,674,514	2,139,789	3,613,705	3,897,102	
-	-	463,404	535,206	253,257	331,676	
-	-	4,607	-	-	-	
-	-	13,876,916	13,182,091	15,282,563	14,754,007	
-	-	(5,514,686)	(5,977,210)	(4,647,103)	(5,132,314)	
<u>\$ 20,686,404</u>	<u>\$ 19,501,324</u>	<u>\$ 12,779,050</u>	<u>\$ 13,114,659</u>	<u>\$ 16,675,623</u>	<u>\$ 15,374,106</u>	

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

	Fiscal Year			
	2005	2006	2007	2008
Revenues				
Taxes	\$ 22,897,718	\$ 27,233,512	\$ 31,605,661	\$ 30,108,230
Franchise fees	3,277,836	3,988,849	3,553,452	4,776,445
Licenses and permits	2,235,488	2,013,526	1,150,111	1,074,540
Intergovernmental	13,690,998	8,706,371	8,966,522	8,750,671
Charges for services	3,954,719	4,221,509	4,870,921	5,564,771
Fines and forfeitures	397,795	257,664	279,881	351,550
Investment earnings	307,771	2,013,212	2,557,537	1,153,427
Special assessments	2,560	1,800	-	-
Donations	50,226	739,888	30,339	3,979
Miscellaneous	860,197	479,699	1,326,190	2,178,570
Total revenues	<u>47,675,308</u>	<u>49,656,030</u>	<u>54,340,614</u>	<u>53,962,183</u>
Expenditures				
General government	18,018,587	12,697,680	12,432,411	13,265,444
Public safety	13,749,592	15,719,488	16,314,103	17,609,602
Engineering and public works	3,687,092	4,513,451	5,453,774	5,007,263
Culture and recreation	3,254,441	3,545,490	3,906,004	4,165,230
Capital outlay	8,766,383	13,141,268	5,878,760	15,422,757
Debt service				
Principal	4,930,000	2,354,757	2,294,690	2,033,147
Interest	1,165,640	1,675,079	1,765,224	1,557,935
Bond issue costs	237,132	-	-	-
Total expenditures	<u>53,808,867</u>	<u>53,647,213</u>	<u>48,044,966</u>	<u>59,061,378</u>
Excess of revenues over (under) expenditures	(6,133,559)	(3,991,183)	6,295,648	(5,099,195)
Other financing sources (uses)				
Issuance of refunding debt	-	-	-	-
Payment of refunded bonds	-	-	-	-
Bonds issued	17,000,000	-	-	-
Discount on bonds issued	(143,193)	-	-	-
Issuance of capital leases	-	828,415	-	427,818
Issuance of notes payable	3,550,000	-	-	-
Proceeds from sale of assets	-	-	59,500	-
Insurance recoveries	-	-	57,368	-
Transfers in	6,461,055	8,470,447	13,752,663	5,418,470
Transfers out	(5,304,531)	(7,213,676)	(12,718,069)	(4,073,941)
Total other financing sources	<u>21,563,331</u>	<u>2,085,186</u>	<u>1,151,462</u>	<u>1,772,347</u>
Net change in fund balances	<u>\$ 15,429,772</u>	<u>\$ (1,905,997)</u>	<u>\$ 7,447,110</u>	<u>\$ (3,326,848)</u>
Debt service as a percentage of non-capital expenditures	<u>14.06%</u>	<u>9.95%</u>	<u>9.63%</u>	<u>8.23%</u>

TABLE 5

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 30,777,171	\$ 29,304,153	\$ 27,727,196	\$ 27,855,869	\$ 28,095,038	\$ 29,228,630
4,715,332	4,479,142	4,348,334	4,273,931	4,182,628	4,529,052
789,633	1,094,680	1,134,195	1,239,148	2,544,020	2,016,519
6,106,837	5,456,965	5,661,131	8,198,174	6,291,091	6,615,107
6,041,646	6,055,850	6,240,082	6,225,043	6,256,912	6,654,078
377,895	327,460	269,358	244,539	1,260,301	809,176
31,685	706,744	429,981	351,874	672,832	371,970
-	-	-	-	-	-
2,875	17,539	18,232	52,539	12,516	17,165
1,825,569	1,214,337	1,383,327	981,045	586,167	455,153
<u>50,668,643</u>	<u>48,656,870</u>	<u>47,211,836</u>	<u>49,422,162</u>	<u>49,901,505</u>	<u>50,696,850</u>
14,206,005	13,164,978	13,288,516	14,747,654	13,356,935	14,241,177
17,917,896	18,440,710	19,420,913	17,338,508	17,956,791	18,372,987
4,239,970	4,070,093	5,311,159	5,094,941	5,966,405	5,978,964
3,740,508	3,677,947	2,064,406	2,091,646	2,349,967	2,632,392
3,585,235	2,076,830	10,912,494	4,196,777	2,740,398	3,832,247
2,041,092	2,111,705	2,037,128	2,023,714	2,080,000	7,491,528
1,498,777	1,587,626	1,494,706	1,234,683	1,494,976	1,145,325
-	-	-	-	-	-
<u>47,229,483</u>	<u>45,129,889</u>	<u>54,529,322</u>	<u>46,727,923</u>	<u>45,945,472</u>	<u>53,694,620</u>
3,439,160	3,526,981	(7,317,486)	2,694,239	3,956,033	(2,997,770)
1,770,000	-	-	-	-	5,270,000
(1,760,000)	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	8,174	34,323	51,969	2,851,749	31,145
11,364	37,291	22,920	47,423	66,312	51,570
3,612,125	7,110,943	3,641,924	2,707,113	331,036	4,136,602
<u>(3,493,875)</u>	<u>(6,592,930)</u>	<u>(3,603,536)</u>	<u>(2,606,230)</u>	<u>(3,629,988)</u>	<u>(4,236,682)</u>
139,614	563,478	95,631	200,275	(380,891)	5,252,635
<u>\$ 3,578,774</u>	<u>\$ 4,090,459</u>	<u>\$ (7,221,855)</u>	<u>\$ 2,894,514</u>	<u>\$ 3,575,142</u>	<u>\$ 2,254,865</u>
<u>8.11%</u>	<u>8.59%</u>	<u>8.10%</u>	<u>7.66%</u>	<u>8.27%</u>	<u>17.32%</u>

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

TABLE 6

Fiscal Year	Property Taxes (1)	Public Service Taxes	Communi- cations Services Taxes	Gas Taxes	Total Taxes	Franchise Fees	Total
2005	\$ 16,073,394	\$ 3,022,429	\$ 2,760,079	\$ 1,041,816	\$ 22,897,718	\$ 3,277,836	\$ 26,175,554
2006	19,992,043	3,244,311	2,868,015	1,129,143	27,233,512	3,988,849	31,222,361
2007	23,511,088	4,029,560	2,978,156	1,086,857	31,605,661	3,553,452	35,159,113
2008	22,831,835	3,182,084	3,055,157	1,039,154	30,108,230	4,776,445	34,884,675
2009	22,750,485	3,337,851	3,697,912	990,923	30,777,171	4,715,332	35,492,503
2010	21,458,933	3,612,409	3,246,760	986,051	29,304,153	4,479,142	33,783,295
2011	19,904,132	3,678,961	3,070,359	1,073,744	27,727,196	4,348,334	32,075,530
2012	19,919,566	3,751,163	3,051,291	1,133,849	27,855,869	4,273,931	32,129,800
2013	20,150,640	3,967,109	2,830,528	1,146,761	28,095,038	4,182,628	32,277,666
2014	20,884,758	4,340,039	2,801,452	1,202,381	29,228,630	4,529,052	33,757,682

(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

<u>Fiscal Year</u>	<u>Taxes and Franchise Fees</u>	<u>Licenses and Permits</u>	<u>Intergovernmental</u>	<u>Charges for Services</u>	<u>Fines and Forfeitures</u>	<u>Investment Earnings</u>
2005	\$ 26,175,554	\$ 2,235,488	\$ 13,690,998	\$ 3,954,719	\$ 397,795	\$ 307,771
2006	31,222,361	2,013,526	8,706,371	4,221,509	257,664	2,013,212
2007	35,159,113	1,150,111	8,966,522	4,870,921	279,881	2,557,537
2008	34,884,675	1,074,540	8,750,671	5,564,771	351,550	1,153,427
2009	35,492,503	789,633	6,106,837	6,041,646	377,895	31,685
2010	33,783,295	1,094,680	5,456,965	6,055,850	327,460	706,744
2011	32,075,530	1,134,195	5,661,131	6,240,082	269,358	429,981
2012	32,129,800	1,239,148	8,198,174	6,225,043	244,539	351,874
2013	32,277,666	2,544,020	6,291,091	6,256,912	1,260,301	672,832
2014	33,757,682	2,016,519	6,615,107	6,654,078	809,176	371,970

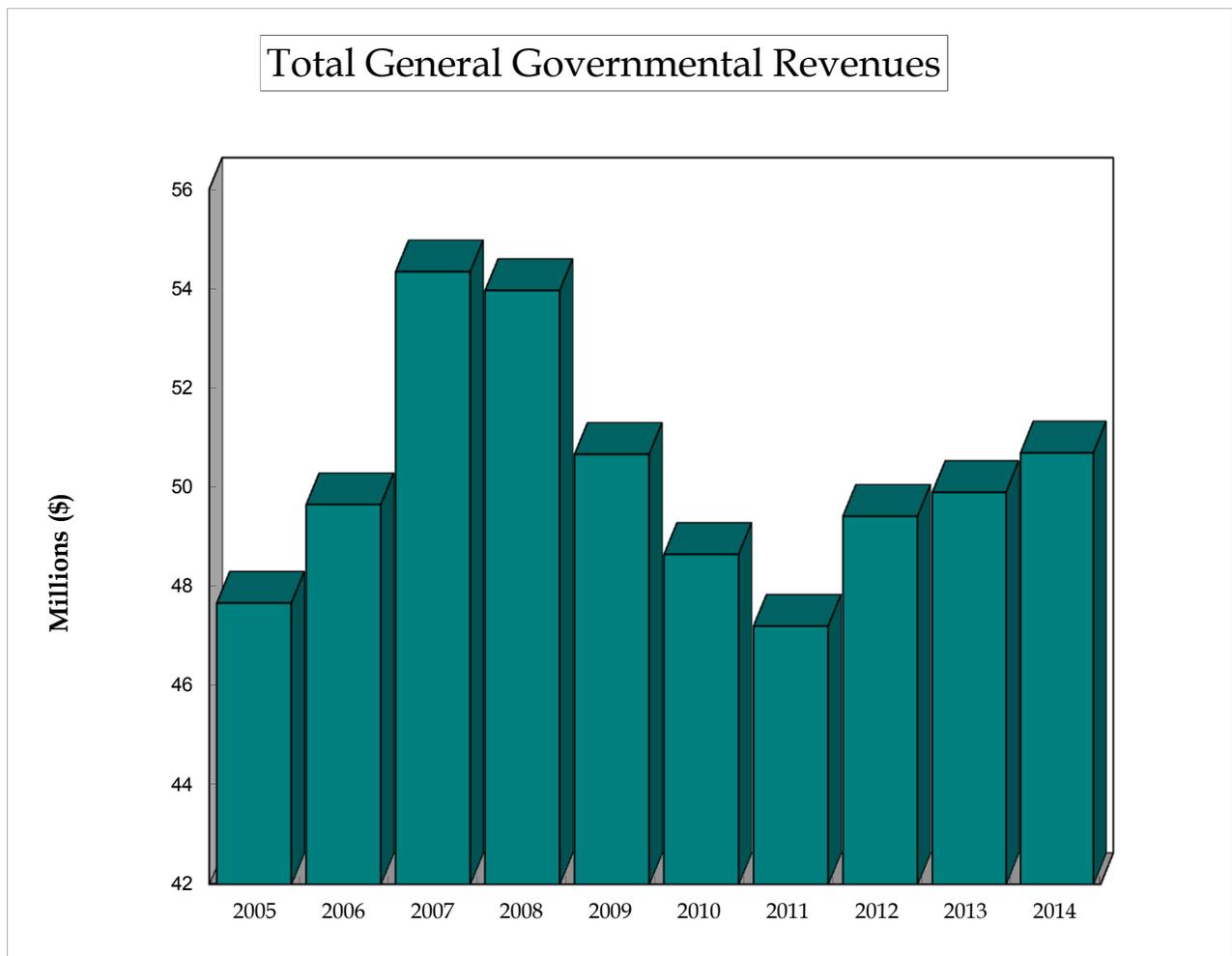


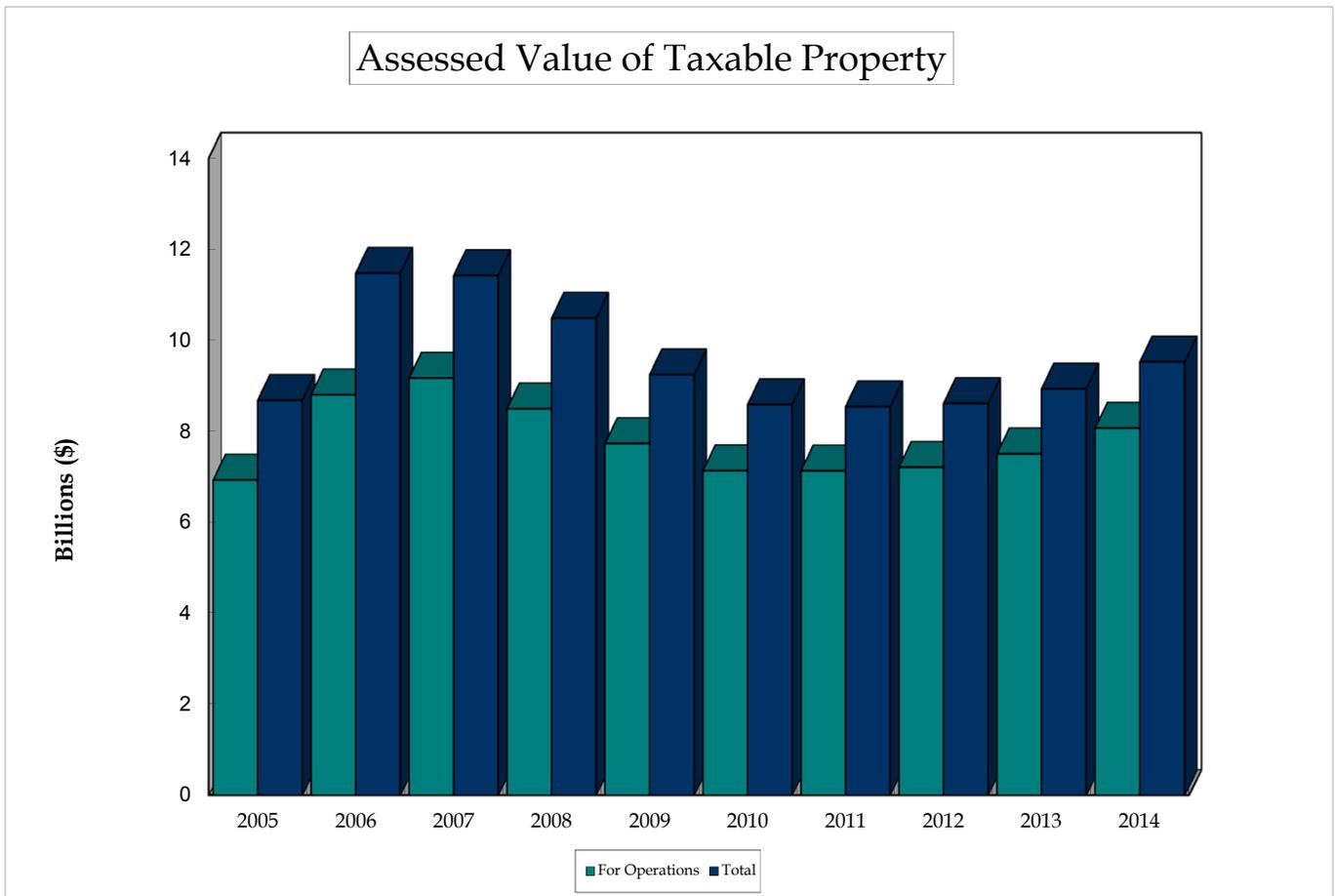
TABLE 7

<u>Special Assessments</u>	<u>Miscellaneous</u>	<u>Total</u>
\$ 2,560	\$ 910,423	\$ 47,675,308
1,800	1,219,587	49,656,030
-	1,356,529	54,340,614
-	2,182,549	53,962,183
-	1,828,444	50,668,643
-	1,231,876	48,656,870
-	1,401,559	47,211,836
-	1,033,584	49,422,162
-	598,683	49,901,505
-	472,318	50,696,850

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

TABLE 8

Year	Real Property	Personal Property	Centrally Assessed Property	Exemptions	Assessed Value for Operations	Total Town Tax Rate	Total Taxable Value (1)
2005	\$ 8,454,365,230	\$ 245,635,335	\$ 1,009,603	\$ 1,749,580,832	\$ 6,951,429,336	2.7814	\$ 8,701,010,168
2006	11,212,710,848	269,632,867	1,142,602	2,664,471,610	8,819,014,707	2.9451	11,483,486,317
2007	11,138,858,108	291,799,708	1,455,109	2,246,792,894	9,185,320,031	2.6790	11,432,112,925
2008	10,204,270,197	294,416,961	1,993,282	1,987,797,198	8,512,883,242	2.4939	10,500,680,440
2009	8,960,361,974	298,475,679	1,321,535	1,507,450,971	7,752,708,217	2.6844	9,260,159,188
2010	8,204,204,394	401,747,357	1,264,085	1,449,771,023	7,157,444,813	2.8046	8,607,215,836
2011	8,184,221,022	374,965,850	1,305,738	1,405,491,305	7,155,001,305	2.8300	8,560,492,610
2012	8,264,332,304	366,002,938	1,049,441	1,397,862,365	7,233,522,318	2.8295	8,631,384,683
2013	8,569,082,777	378,148,886	1,296,637	1,421,917,672	7,526,610,628	2.8262	8,948,528,300
2014	9,153,926,603	385,543,759	1,523,860	1,450,462,521	8,090,351,701	2.8152	9,540,994,222



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

Source: Palm Beach County Property Appraiser

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

Fiscal Year	Town of Jupiter Property Tax Rates			Overlapping Property Tax Rates - Palm Beach County		
	Operating Millage	General Obligation Debt Service	Total Town Millage	Operating Millage	General Obligation Debt Service	Total County Millage
2005	2.6195	0.1619	2.7814	4.5000	0.2677	4.7677
2006	2.6195	0.3256	2.9451	4.4500	0.2692	4.7192
2007	2.4221	0.2569	2.6790	4.2800	0.1975	4.4775
2008	2.2497	0.2442	2.4939	3.7811	0.2002	3.9813
2009	2.4234	0.2610	2.6844	3.7811	0.1845	3.9656
2010	2.5142	0.2904	2.8046	4.3440	0.2174	4.5614
2011	2.5142	0.3158	2.8300	4.7500	0.2460	4.9960
2012	2.5142	0.3153	2.8295	4.7815	0.2110	4.9925
2013	2.5142	0.3120	2.8262	4.7815	0.2087	4.9902
2014	2.5142	0.3010	2.8152	4.7815	0.2037	4.9852

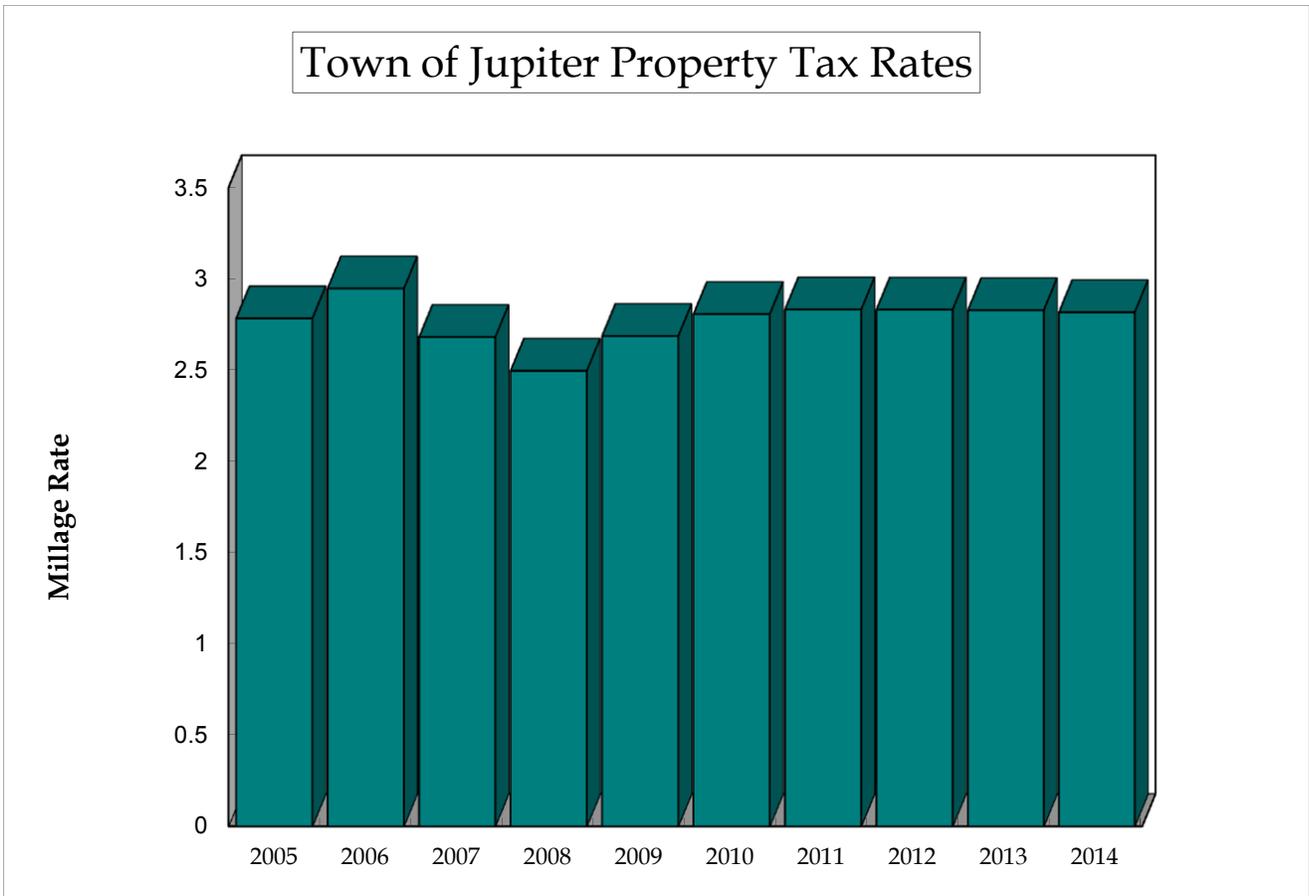
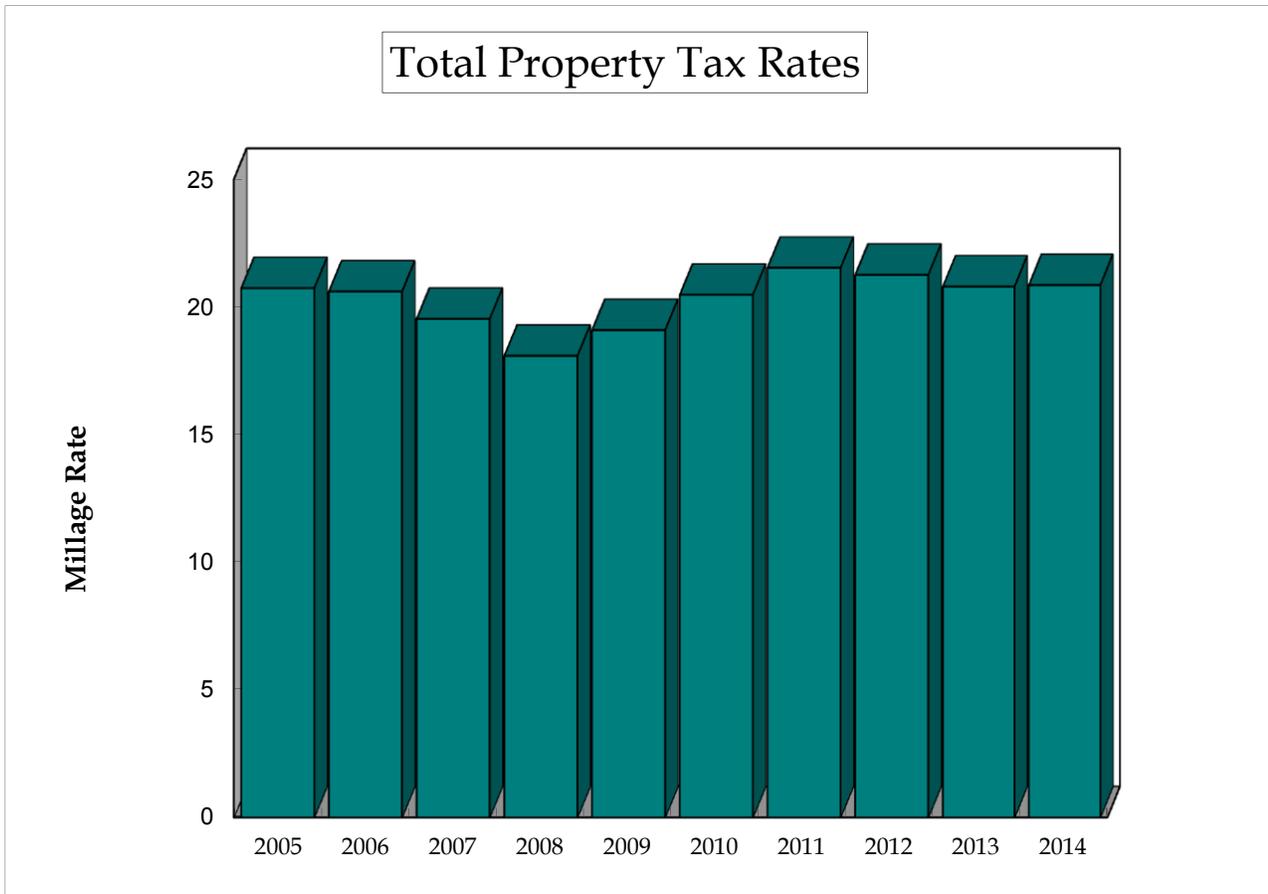


TABLE 9

Overlapping Property Tax Rates -				
Palm Beach County School District			Palm Beach	
Operating Millage	Debt Service	Total School Millage	County Special Districts	Total
8.158	0.274	8.432	4.7471	20.7282
7.884	0.222	8.106	4.8274	20.5977
7.712	0.160	7.872	4.4968	19.5253
7.356	-	7.356	4.2467	18.0779
7.251	-	7.251	5.1854	19.0864
7.983	-	7.983	5.1206	20.4696
8.154	-	8.154	5.5471	21.5271
8.180	-	8.180	5.2478	21.2498
7.778	-	7.778	5.1977	20.7921
7.586	-	7.586	5.4606	20.8470



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

	2014		
	Taxable Assessed Valuation	Rank	Percentage of Assessed Value for Operations
Florida Power & Light Co	\$ 109,075,015	1	1.35%
TGM Abacoa LLC	51,054,453	2	0.63%
TGM Floresta LLC	43,391,158	3	0.54%
Oprock Jupiter Fee LLC	27,731,133	4	0.34%
Dakota Abacoa Housing LLC	22,481,627	5	0.28%
Jupiter CC LLC	22,210,498	6	0.27%
Club at Admirals Cove Inc.	21,465,990	7	0.27%
Allegro at Abacoa LLC	21,279,667	8	0.26%
Regency Centers LP	20,060,726	9	0.25%
Donross Associates	14,281,347	10	0.18%
Guardian Jupiter Partners LTD	-	-	-
John D & Catherine MacArthur	-	-	-
Town Center I Commercial Ltd	-	-	-
Centex Homes	-	-	-
LB Town Center Residential LLC	-	-	-
Abacoa Homes, Inc	-	-	-
Bears Club Development Company	-	-	-
Bears Club Founding Partners, Ltd	-	-	-
Totals	<u>\$ 353,031,614</u>		<u>4.36%</u>

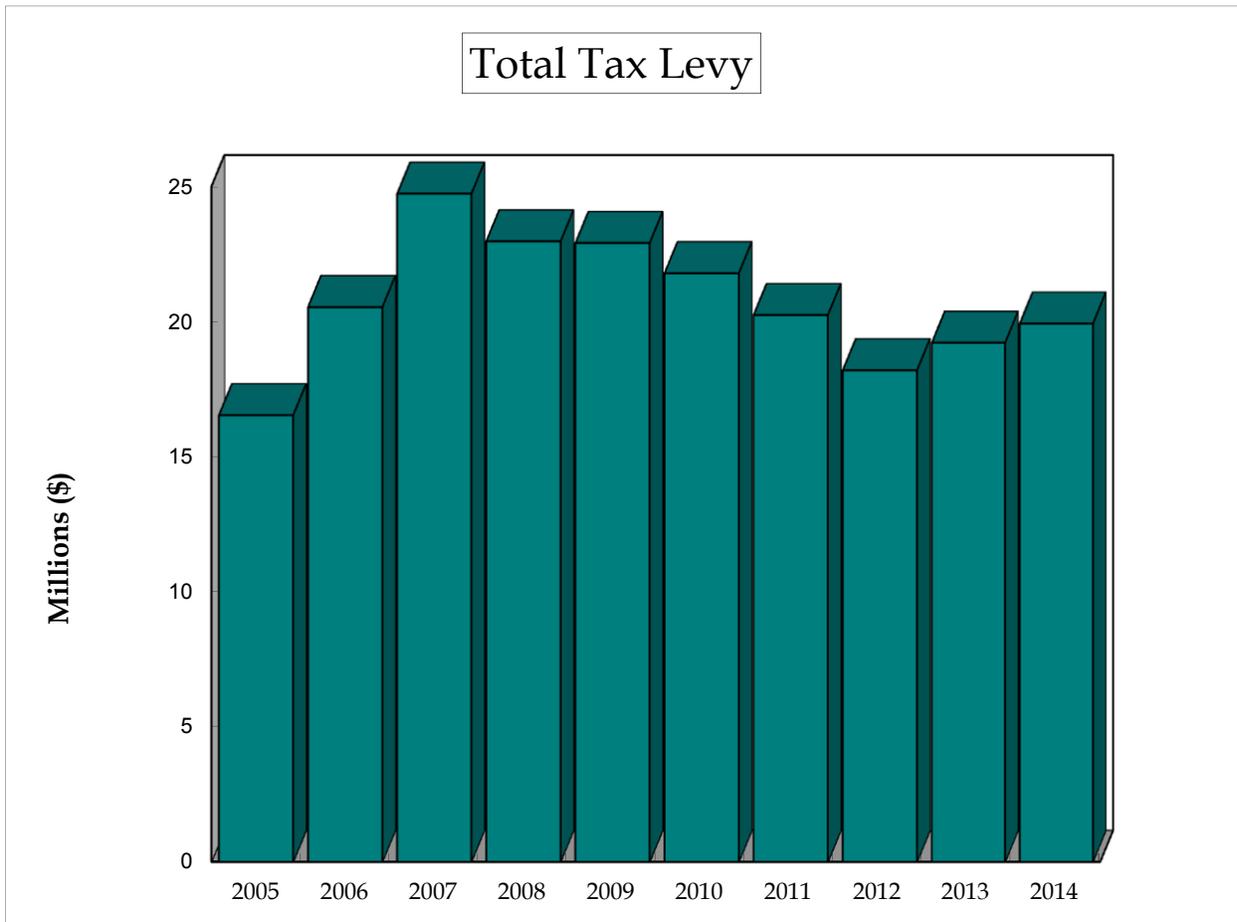
Source: Palm Beach County Property Appraiser.

TABLE 10

2005		
<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Assessed Value for Operations</u>
\$ -	-	-
-	-	-
-	-	-
54,334,169	1	0.92%
-	-	-
-	-	-
-	-	-
-	-	-
37,400,000	2	0.63%
30,924,252	3	0.52%
22,650,000	4	0.38%
20,137,870	5	0.34%
17,389,108	6	0.29%
13,002,921	7	0.22%
12,924,354	8	0.22%
12,919,234	9	0.22%
12,242,870	10	0.21%
<u>\$ 233,924,778</u>		<u>3.95%</u>

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

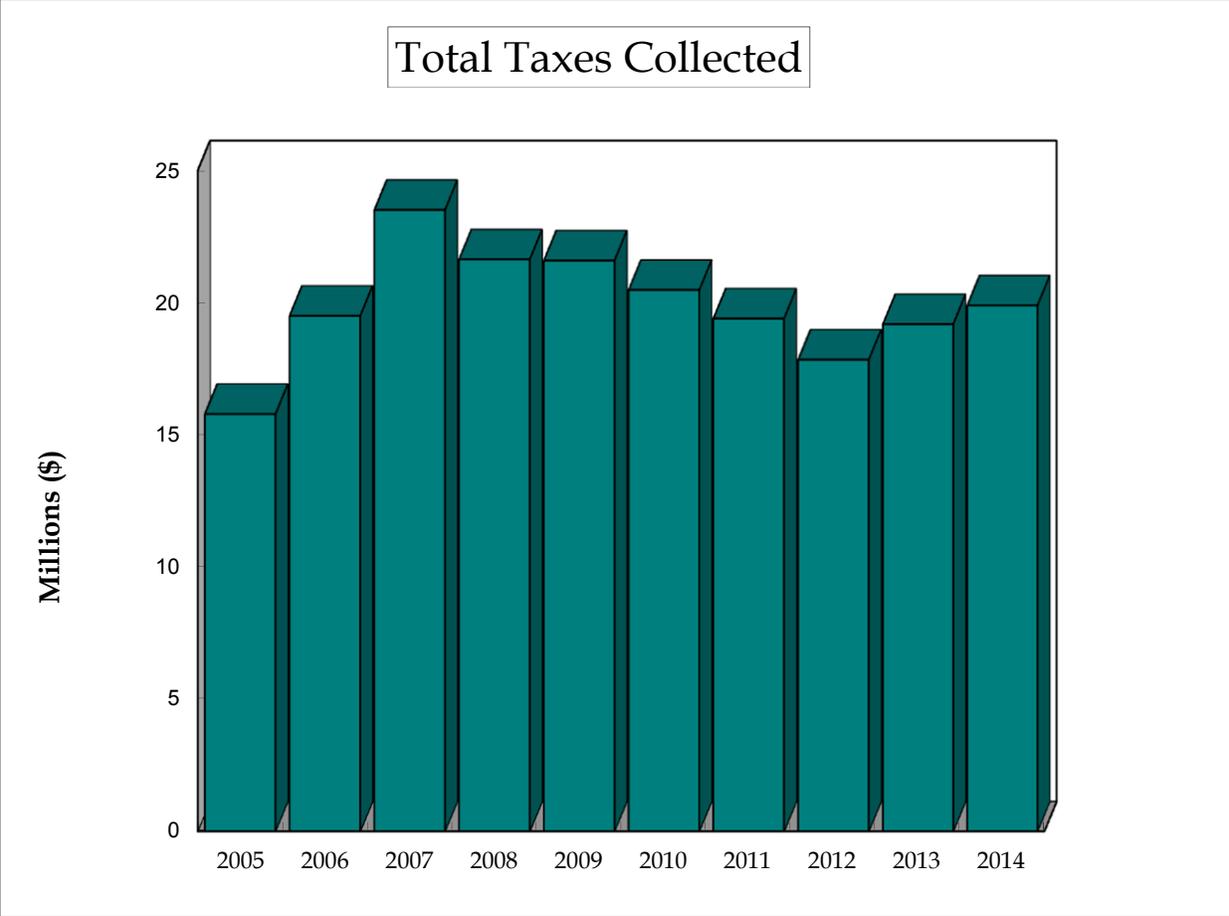
<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Amount of Current Taxes Collected (1)</u>	<u>Percent of Total Tax Levy Collected</u>	<u>Amount of Delinquent Taxes Collected</u>	<u>Total Collected for the Year</u>
2005	\$ 16,532,894	\$ 15,754,677	95.3 %	\$ 52,165	\$ 15,806,842
2006	20,530,232	19,499,489	95.0	15,319	19,514,808
2007	24,727,332	23,498,408	95.0	12,680	23,511,088
2008	22,964,339	21,615,164	94.1	29,732	21,644,896
2009	22,902,526	21,433,818	93.6	169,481	21,603,299
2010	21,787,176	20,325,926	93.3	163,669	20,489,595
2011	20,240,381	19,335,797	95.5	76,986	19,412,783
2012	18,195,931	17,757,247	97.6	105,575	17,862,822
2013	19,212,570	19,155,824	99.7	42,563	19,198,387
2014	19,919,948	19,878,115	99.8	28,564	19,906,679



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

TABLE 11

<u>Ratio of Total Taxes Collected to Current Levy</u>		<u>Accumulated Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Current Levy</u>
95.6 %	\$	197,546	1.2 %
95.1		199,150	1.0
95.1		232,088	0.9
94.3		255,902	1.1
94.3		274,094	1.2
94.0		294,892	1.4
95.9		315,827	1.6
98.2		238,765	1.3
99.9		294,892	1.5
99.9		266,328	1.3



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

Governmental Activities								
Fiscal Year	General Bonded Debt			Per Capita ⁽³⁾	Sales Tax Revenue Bonds, Net ⁽¹⁾	Public Improvement Revenue Bonds	Disaster Relief Note Payable	Capital Lease Obligations
	General Obligation Bonds, Net ⁽¹⁾	Percentage of Total Taxable Value ⁽²⁾ of Property	%					
2005	\$ 26,750	0.31	%	554.19	\$ 11,605	\$ 1,015	\$ 50	\$ -
2006	25,675	0.22		519.89	11,045	520	50	604
2007	24,600	0.22		494.73	10,460	-	-	539
2008	23,485	0.22		471.75	9,850	-	-	659
2009	22,340	0.24		444.36	9,220	-	-	403
2010	21,155	0.25		383.55	8,555	-	-	141
2011	19,920	0.23		358.65	7,865	-	-	29
2012	18,345	0.21		324.25	6,089	-	-	-
2013	17,020	0.19		302.11	5,334	-	-	-
2014	15,605	0.16		275.82	4,492	-	-	-

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

- ⁽¹⁾ Debt is net of amounts available in debt service funds.
- ⁽²⁾ See Table 8 for property value data.
- ⁽³⁾ See Table 16 for personal income and population data.

TABLE 12

<u>Business-type Activities</u>				<u>Primary Government</u>				
<u>Total Governmental Activities</u>	<u>Water Revenue Bonds</u>	<u>Stormwater Loan</u>	<u>Total Business-type Activities</u>	<u>Total Primary Government</u>	<u>Percentage of Total Taxable Value ⁽¹⁾ of Property</u>	<u>Percentage of Personal Income ⁽²⁾</u>	<u>Per Capita ⁽²⁾</u>	
\$ 39,420	\$ 49,465	\$ 648	\$ 50,113	\$ 89,533	1.03 %	140.51 %	\$ 1,854.88	
37,894	47,735	594	48,329	86,223	0.75	123.10	1,745.94	
35,599	45,950	540	46,490	82,089	0.72	108.60	1,650.89	
33,994	44,095	486	44,581	78,575	0.75	101.60	1,578.35	
31,963	42,185	432	42,617	74,580	0.81	101.40	1,483.44	
29,851	40,795	378	41,173	71,024	0.83	N/A	1,287.69	
27,814	38,750	324	39,074	66,888	0.78	N/A	1,204.28	
24,434	35,960	270	36,230	60,664	0.70	N/A	1,076.81	
22,354	33,760	216	33,976	56,330	0.63	N/A	995.63	
20,097	31,420	162	31,582	51,679	0.54	N/A	902.49	

TOWN OF JUPITER, FLORIDA
Direct and Overlapping Governmental Activities Debt
As of September 30, 2014

TABLE 13

	Debt Outstanding	Estimated⁽¹⁾ Percentage Applicable to Town of Jupiter	Estimated⁽¹⁾ Share of Direct and Overlapping Debt
Direct Debt:			
Town of Jupiter	\$ 21,488,472	100.00%	\$ 21,488,472
Overlapping Debt:			
Debt repaid with property taxes			
Palm Beach County	163,630,000	6.84%	11,192,292
Other debt			
Palm Beach County ⁽²⁾	762,484,529	6.84%	52,153,942
Palm Beach County School Board ⁽³⁾	1,733,108,000	6.84%	118,544,587
Total Overlapping Debt			181,890,821
Total Direct and Overlapping Debt			\$ 203,379,293
Estimated Population			57,263
Total Direct and Overlapping Debt per Capita			\$ 3,551.67

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

⁽²⁾ Includes Non Ad Valorem Revenue Bonds (\$736,162,756) and Other Notes and Loans (\$26,321,773).

⁽³⁾ Includes Capital Outlay Bonds (\$21,885,000) and Certificates of Participation (\$1,711,223,000).

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

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

TABLE 14

Fiscal Year	Assessed Value for Legal Debt Margin			Legal Debt Margin			Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
	Assessed Value for Operations	Exempt Real Property	Total Assessed Value	Debt Limit ⁽¹⁾	Net Debt Applicable to Limit	Legal Debt Margin	
2005	\$ 6,951,429	\$ 1,749,581	\$ 8,701,010	\$ 1,305,152	\$ 26,750	\$ 1,278,402	2.05
2006	8,819,015	2,664,472	11,483,486	1,722,523	25,675	1,696,848	1.49
2007	9,185,320	2,246,793	11,432,113	1,714,817	24,600	1,690,217	1.43
2008	8,512,883	1,987,797	10,500,680	1,575,102	23,485	1,551,617	1.49
2009	7,752,708	1,507,451	9,260,159	1,389,024	22,340	1,366,684	1.61
2010	7,157,445	1,449,771	8,607,216	1,291,082	21,155	1,269,927	1.64
2011	7,155,001	1,405,491	8,560,493	1,284,074	19,920	1,264,154	1.55
2012	7,233,522	1,397,862	8,631,385	1,294,708	18,645	1,276,063	1.44
2013	7,526,610	1,421,918	8,948,528	1,342,279	17,320	1,324,959	1.29
2014	8,090,352	1,450,463	9,540,815	1,431,122	15,940	1,415,182	1.11

⁽¹⁾ 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			Public Improvement Revenue Bonds		
	Sales Tax Revenue	Debt Service ⁽³⁾	Coverage ⁽⁴⁾	Utilities Tax Revenue	Debt Service ⁽³⁾	Coverage ⁽⁴⁾
2005	\$ 3,403,193	\$ 1,103,332	3.08	\$ 3,277,836	\$ 555,234	5.90
2006	3,651,102	1,101,370	3.32	3,988,849	553,375	7.21
2007	3,601,718	1,104,670	3.26	3,553,452	550,160	-
2008	3,482,757	1,107,075	3.15	4,776,445	-	-
2009	3,077,029	1,103,365	2.79	4,715,332	-	-
2010	3,064,115	1,085,243	2.82	4,479,142	-	-
2011	3,224,952	1,085,243	2.97	4,348,334	-	-
2012	3,596,953	1,084,557	3.32	4,273,931	-	-
2013	3,793,323	1,088,094	3.49	4,182,628	-	-
2014	4,111,083	1,049,414	3.92	4,529,052	-	-

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

⁽²⁾ Expenses exclude depreciation.

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

⁽⁴⁾ Required coverage is 1.10.

TABLE 15

Water Revenue Bonds					
Gross Revenue ⁽¹⁾	Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Debt Service ⁽³⁾	Coverage ⁽⁴⁾	
\$ 17,902,208	\$ 9,258,421	\$ 8,643,787	\$ 3,419,403	2.53	
21,929,122	10,968,765	10,960,357	3,980,194	2.75	
22,383,340	11,231,704	11,151,636	3,953,318	2.82	
19,954,067	10,378,406	9,575,661	3,983,443	2.40	
19,759,741	11,244,068	8,515,673	3,976,421	2.14	
21,234,416	11,414,457	9,819,959	3,309,151	2.97	
21,942,429	11,594,606	10,347,823	3,788,527	2.73	
21,236,252	11,331,352	9,904,900	4,456,810	2.22	
22,669,367	11,550,774	11,118,593	3,858,289	2.88	
22,470,142	11,865,011	10,605,131	3,126,000	3.39	

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

TABLE 16

Fiscal Year	Population⁽¹⁾	Personal Income⁽²⁾ (in millions)	Per Capita Personal Income⁽²⁾	Unemploy- ment Rate⁽³⁾	School Enrollment⁽⁴⁾
2005	48,269	\$ 63,718	\$ 50,371	4.1%	9,681
2006	49,385	70,044	54,086	3.7%	9,589
2007	49,724	75,586	59,147	4.8%	9,589
2008	49,783	77,339	60,909	7.6%	9,464
2009	50,275	73,547	57,461	11.4%	9,558
2010	55,156	68,418	51,717	11.7%	9,610
2011	55,542	71,432	53,500	10.3%	9,588
2012	56,337	75,462	55,628	8.6%	9,659
2013	56,577	N/A	N/A	6.7%	9,439
2014	57,263	N/A	N/A	5.6%	9,615

Data Sources:

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

⁽²⁾ Source: University of Florida, Bureau of Economic and Business Research. Data for Palm Beach County.

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

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

N/A: Not available.

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

TABLE 17

Employer	2014 ⁽¹⁾			2005 ⁽¹⁾		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>
Palm Beach County School District	21,495	1	N/A	18,672	1	N/A
Palm Beach County	11,381	2	N/A	9,000	2	N/A
Tenet Healthcare Corp.	6,100	3	N/A	4,705	3	N/A
Florida Power & Light (Headquarters)	3,635	4	N/A	2,800	5	N/A
G4S (Headquarters)	3,000	5	N/A	-	-	-
Hospital Corporation of America	2,714	6	N/A	-	-	-
Florida Atlantic University	2,706	7	N/A	-	-	-
Bethesda Memorial Hospital	2,391	8	N/A	-	-	-
Office Depot (Headquarters)	2,250	9	N/A	2,780	6	N/A
Boca Raton Regional Hospital	2,250	9	N/A	-	-	-
Columbia Palm Beach Health Care	-	-	-	4,000	4	N/A
Boca Raton Resort & Club	-	-	-	2,380	7	N/A
Delray Community Hospital	-	-	-	2,000	8	N/A
The Breakers	-	-	-	2,000	8	N/A
Boca Raton Community Hospital	-	-	-	1,700	10	N/A
Totals	<u>57,922</u>		<u>N/A</u>	<u>50,037</u>		<u>N/A</u>

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

N/A: Not available.

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

TABLE 18

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Town Manager	5	5	3	3	3.5	3.5	3.5	3.5	3.5	3.5
Town Clerk	8	8	7	7	6.25	6	6	5	5	5
Finance	12	11	11	11	10	9	9	9.5	8.25	8
Human Resources	6	7	7	7	6.5	6.5	6	5.5	5.75	5
Information Systems	13	14	15	15	14	13	13	13	12	12
Neighborhoods	-	2	2.5	3	2.75	2.75	3.25	2.75	2.75	2.75
External Affairs	-	4	3.5	3.5	2.5	2.5	2.5	2.5	4	4
Special Projects	-	-	-	2.5	2	2	-	-	-	-
Public Safety										
Police Officers	106	108	110	110	110	110	110	110	109	109
Civilian Police	34	36	37	37	35	33.25	34	18	19	18
Engineering/Public Works										
Engineering	12	12	12.5	12	11	11	10	10	10	10
Public Works	27	27	27.5	27.5	25.5	24	21	21	21	20.5
Parks maintenance	-	-	-	-	-	-	15	15	15	13
Culture and Recreation										
Parks and Recreation	37	38	40	35.5	35	34.5	17.75	17.75	16.75	17
Water System										
Plant	26	26	26	26	25	25	27	28	28	28
Field	13	13	14	14	13	13	14	11	15	15
Administration	22	23	24	24	25	22	20	18	16	16
Building Department										
Building	44	48	41	38	34	25	24	21.5	23	22
Planning	13	13	16.5	17	15.25	14.25	13.25	13.25	13	13.75
Business Registration	-	-	2	3	3	2	2	2	2.5	3
Code Enforcement	7	8	8	8	7	7	7	7	7	8
Community Development	9	-	-	-	-	-	-	-	-	-
Stormwater System										
Field	4	4	5	4	3	3	5	4	4	4
Administration	4	4	5	3	3	3	2	4	4	3.5
Total	402	411	418	411	392.3	372	365	342	344.5	341

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

TABLE 19

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police										
Physical arrests	1,608	1,747	2,265	1,793	1,403	1,197	1,146	1,102	1,184	1,351
Parking violations	1,208	1,054	1,475	1,588	1,288	1,114	1,347	1,655	1,299	1,241
Traffic violations	18,850	13,357	16,283	19,807	20,525	17,390	12,976	13,175	6,651	6,637
Code Compliance										
Code violations	3,584	4,823	4,250	3,730	4,022	3,455	3,738	3,516	3,591	2,069
Public Works										
Street resurfacing (lane miles)	N/A	12	4 5	3 84	10 77	2 5	6 28	1 14	6 92	17 43
Pot holes repaired	230	309	172	130	99	25	9	40	42	29
Culture and Recreation										
Parks and Recreation										
Recreation programs offered (1)	N/A	93	253	248	483	517	611	642	633	591
Recreation program participants (1)	N/A	5,554	2,540	2,849	15,051	18,235	19,710	29,066	45,731	49,055
Youth athletic participants (JTAA)	N/A	6,332	6,300	6,100	7,220	7,259	7,650	6,869	6,925	6,192
Camp program participants	N/A	847	839	878	741	978	929	929	1,144	1,586
Athletic camp participants	N/A	1,180	1,182	1,175	1,053	917	967	967	887	927
Skate park participants	N/A	17,020	14,191	12,354	13,242	14,040	12,477	13,582	14,182	16,004
Water System										
Water customers	24,754	25,272	25,875	26,541	27,061	27,343	27,597	27,924	28,415	28,900
Permitted Capacity per day (million gallons)	27 30	29 00	29 00	29 00	29 00	30 00	30 00	30 00	30 00	30 00
Average daily water consumption (million gallons)	17 34	17 59	14 00	12 32	13 64	14 09	14 97	14 74	14 80	14 74
Building Department										
Building permits issued	16,101	11,313	7,334	6,233	5,317	5,442	5,659	6,199	7,568	8,930
Value of permits (in thousands)	\$ 348,166	\$ 290,434	\$ 182,508	\$ 147,165	\$ 92,896	\$ 133,352	\$126,173	\$147,459	\$330,520	\$308,242
Stormwater System										
Stormwater customers	20,336	20,676	20,913	21,065	21,175	21,224	21,625	21,709	22,161	22,518

Sources: Town departments

N/A: Not available

(1) In 2008 and prior, only recreation classes were reported. Beginning in 2009, these numbers include all recreation programs.

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

TABLE 20

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	87	85	126	146	135	154	149	147	158	148
Code Compliance										
Vehicles	5	6	7	7	6	7	6	8	8	8
Engineering and Public Works										
Centerline road miles	113.75	114.17	114.74	115.12	115.30	116.21	118.59	119.08	121.45	126.50
Culture and Recreation										
Parks and Recreation										
Community Center	1	1	1	1	1	1	1	1	1	1
Civic Center	1	1	1	1	1	1	1	1	1	1
Ballfields - lighted	N/A	19	22	22	22	22	22	22	22	22
Basketball courts	N/A	12	12	12	12	12	12	12	12	12
Multi-purpose fields	N/A	9	12	12	12	12	12	12	12	12
Tennis courts	N/A	14	14	14	14	14	14	14	14	14
Parks	13	15	15	15	17	17	17	17	17	17
Parks (acres)	262	265	265	265	265	265	265	265	265	265
Water System										
Water mains (miles)	361	378	406	442	444	444	447	454	458	462.3
Plants	1	1	1	1	1	1	1	1	1	1
Fire hydrants	2,590	2,727	2,973	3,328	3,356	3,414	3,428	3,502	3,542	3,596
Building Department										
Vehicles	20	22	21	21	26	13	13	11	10	9
Stormwater System										
Stormwater sewers (miles)	N/A	68	74	74	76	76	80	80	86	86

Sources: Town departments.

N/A: Not available.

TOWN OF JUPITER, FLORIDA
Schedule of Insurance in Force
As of September 30, 2014

TABLE 21

Type of Coverage	Coverage Amount	
Property	\$ 124,368,599	(1,10)
Equipment Breakdown	50,000,000	(1,10)
Inland Marine	3,947,076	(1,10)
Ocean Marine	175,625	(13, 17)
Crime/Employee Dishonesty	100,000	(1, 9)
General Liability	2,000,000 per claim/no aggregate	(1, 6, 9)
Law Enforcement Liability	1,000,000/1,000,000	(1, 2, 7)
Automobile Liability	1,000,000	(1)
Automobile Physical Damage	ACV or repair	(1, 15)
Public Officials & Employment Practices Liability	1,000,000/1,000,000	(1, 7)
Workers' Compensation	Statutory	(1)
Employers' Liability Limit for WC	1,000,000	(1, 18)
Environmental Insurance (Pollution)	1,000,000/1,000,000	(7, 12)
Rail Road Protective Liability	2,000,000/6,000,000	(8, 14)
Police - Statutory Accidental Death and Dismemberment	196,000 64,801 64,801	(5, 11) (5, 11) (5, 11)
CRA (Director & Officers including Employment Practices)	1,000,000 Aggregate	(7, 16)
Life Insurance	200,000	(3, 19)
AD&D Insurance	200,000	(3, 19)
Medical - HMO	Unlimited	(4, 20)
Medical - HSA	Unlimited	(4, 20)

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

TOWN OF JUPITER, FLORIDA
Salaries of Principal Officials
For the Year Ended September 30, 2014

TABLE 22

<u>Official</u>	<u>Annual Salary</u>
Mayor	\$ 22,200
Council (4 members)	18,600 (per member)
Town Manager	176,109
Chief of Police	137,106
Utilities Director	137,106
Engineering and Public Works Director	133,543
Information Systems Director	96,607
Business Development Director	130,043
Finance Director	130,030
Planning and Zoning Director	127,437
Assistant Town Manager	118,450
Town Clerk	117,608
Building Department Director	119,033

**COMPLIANCE REPORTS AND
MANAGEMENT LETTER**



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

CERTIFIED PUBLIC ACCOUNTANTS

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

505 SOUTH FLAGLER DRIVE, SUITE 900
WEST PALM BEACH, FL 33401-5948

TELEPHONE (561) 832-9292
FAX (561) 832-9455

info@cdlcpa.com

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Jupiter, Florida, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town of Jupiter, Florida, and have issued our report thereon dated March 27, 2015. Our report includes a reference to other auditors who audited the financial statements of the Municipal Police Officers' Retirement Trust Fund, a fiduciary fund of the Town, as described in our report on the financial statements of the Town of Jupiter, Florida. This report does not include the results of the other 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 internal control over financial reporting (internal control) of the Town of Jupiter, Florida, to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Town of Jupiter, Florida. Accordingly, we do not express an opinion on the effectiveness of the internal control of the Town of Jupiter, Florida.

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

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

Compliance and Other Matters

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

We noted certain additional matters that we reported to management in a separate management letter dated March 27, 2015.

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.

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

West Palm Beach, Florida
March 27, 2015



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

CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM K CALER, JR, CPA
LOUIS M COHEN, CPA
JOHN C COURTNEY, CPA, JD
DAVID S DONTEN, CPA
JAMES B HUTCHISON, CPA
JOEL H LEVINE, CPA
JAMES F MULLEN, IV, CPA
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SCOTT L PORTER, CPA
MARK D VEIL, CPA

505 SOUTH FLAGLER DRIVE, SUITE 900
WEST PALM BEACH, FL 33401-5948

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FAX (561) 832-9455

info@cdlcpa.com

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Management Letter

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

Report on the Financial Statements

We have audited the financial statements of the Town of Jupiter, Florida (the "Town"), as of and for the year ended September 30, 2014, and have issued our report thereon dated March 27, 2015. Our report included a reference to other auditors.

Auditor's Responsibility

We conducted our audit in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on Investment Compliance on our examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 27, 2015, 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. Comments 2013-001 *Journal Entry Approval*; 2013-002 *Travel Expenses*; 2013-003 *Capital Asset Inventory* and, 2012-1 *Police Officers' Retirement Fund Investments* reported in the prior year management letter dated March 26, 2014, were adequately resolved or no longer apply. The uncorrected audit findings or recommendations reported in the preceding annual financial audit report are summarized in the table below:

Tabulation of Uncorrected Audit Findings

<u>Current Year Finding No.</u>	<u>2012-13 FY Finding No.</u>	<u>2011-12 FY Finding No.</u>	<u>2010-11 FY Finding No.</u>
2010-3	2010-3	2010-3	2010-3

Comment 2010-3 *Purchase Approvals* requires further attention by management as noted below.

2010-3 Purchase Approvals

Criteria: Requisitions and purchase orders should be completed and approved prior to the purchase.

Condition: During our testing of purchase approvals in 2010, 2011, 2012 and 2013, we noted certain purchases where the purchase requisition was not prepared until after the vendor invoice date.

Current Status: During our testing of purchases in 2014, we noted 10 out of the 60 purchases tested, where the requisition or approval documentation was approved after the invoice date of the transaction. In all but 2 of the 10 variances, the items purchased were recurring transactions, credit card purchases, or repair type items where the cost could not be determined until the vendor invoice was received or the purchase was made.

Recommendation: We recommend that Town management review the requirements of the Town's purchasing policy with the originating departments to improve compliance with the Town's purchasing requirements for the use of requisitions. For small dollar purchases where a requisition or purchase order cannot be prepared until after the transaction occurs or recurring monthly purchases, the Town should consider amending the purchasing policy to provide an exclusion where it is impractical to prepare or approve a requisition or purchase order in advance.

Official Title and Legal Authority

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

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the Town has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes, as of and for the year ended September 30, 2014.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures as of September 30, 2014. 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 the review of financial information provided by same.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the Town for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have 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, and the Town Council and management of the Town of Jupiter, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

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

West Palm Beach, Florida
March 27, 2015



TOWN OF JUPITER

March 27, 2015

Honorable David W. Martin, C.P.A.
Local Government Audits/342
Claude Pepper Building, Room 401
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Martin:

The preceding pages represent the management letter submitted by the independent certified public accounting firm of Caler, Donten, Levine, Porter and Veil, P.A. who performed the audit of the Town's Comprehensive Annual Financial Report for the year ended September 30, 2014. The following are the responses by management to those comments and recommendations.

2010-3 Purchase Approval

The 2014 annual auditor comments contained in the management letter regarding purchase approvals note that 10 of 60 samples indicated purchase requisitions or approvals being secured after the invoice date. The auditors also noted that 8 of the 10 items represent recurring or credit card purchases that do not typically require pre-approval during the course of our business operations. The Town will review our purchasing policy and consider a change that will allow for these recurring and credit card payments to be made in a manner that will not result in a variance from the policy.

The Town appreciates the auditor's comments and will use them to improve our financial policies and procedures. As always, staff is always available to meet with and discuss these matters with Town Council.

Respectfully submitted,

Andrew D. Lukasik
Town Manager

Michael Villella, C.P.A.
Finance Director



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

CERTIFIED PUBLIC ACCOUNTANTS

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

505 SOUTH FLAGLER DRIVE, SUITE 900
WEST PALM BEACH, FL 33401-5948

TELEPHONE (561) 832-9292
FAX (561) 832-9455

info@cdlcpa.com

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountant's Report on Investment Compliance

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

We have examined the Town of Jupiter's compliance with Section 218.415, Florida Statutes for the year ended September 30, 2014. Management is responsible for the Town of Jupiter's compliance with those requirements. Our responsibility is to express an opinion on the Town of Jupiter's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Town of Jupiter's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Town of Jupiter's compliance with specified requirements.

In our opinion, the Town of Jupiter complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

This report is intended solely for the information and use of the Town Council and management of the Town of Jupiter, Florida, the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

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

West Palm Beach, Florida
March 27, 2015