

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
TOWN OF JUPITER, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2013**



**Prepared By:
Finance Department**

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

TOWN OF JUPITER, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

SEPTEMBER 30, 2013

INTRODUCTORY SECTION

Letter of Transmittal	i
Certificate of Achievement for Excellence in Financial Reporting	vi
List of Principal Officials	vii
Organizational Chart	viii

FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements	
Balance Sheet - Governmental Funds	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Net Position - Enterprise Funds	19
Statement of Revenues, Expenses and Changes in Net Position - Enterprise Funds	21
Statement of Cash Flows - Enterprise Funds	22
Statement of Fiduciary Net Position - Fiduciary Fund	24
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	25
Notes to Financial Statements	26
Supplementary Financial Information	
Required Supplementary Information	
Budgetary Comparison Schedules	
General Fund	61
Special Revenue Fund	
Community Redevelopment Fund	65
Notes to Budgetary Comparison Schedules	66

TOWN OF JUPITER, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

SEPTEMBER 30, 2013

FINANCIAL SECTION (continued)

Supplementary Financial Information (continued)

Combining Fund Financial Statements and Individual Fund Budgetary Comparison Schedules	
Nonmajor Governmental Funds	
Combining Balance Sheet	67
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	69
Budgetary Comparison Schedules	
Debt Service Funds	
Sales Tax Revenue Bond Debt Service Fund.....	71
Community Center Debt Service Fund	72
Capital Projects Fund	
Capital Improvements Fund.....	73

STATISTICAL SECTION

Financial Trends

Net Position by Component	75
Changes in Net Position.....	77
Governmental Activities Tax Revenues by Source	81
Fund Balances of Governmental Funds.....	82
Changes in Fund Balances of Governmental Funds	84
Governmental Funds Tax Revenues by Source	86
Total General Governmental Revenues by Source.....	87
Assessed Value of Taxable Property	89

Revenue Capacity

Property Tax Rates - Direct and Overlapping Governments	90
Principal Property Taxpayers.....	92
Property Tax Levies and Collections.....	94

Debt Capacity

Ratios of General Bonded Debt Outstanding and Outstanding Debt by Type.....	96
Direct and Overlapping Governmental Activities Debt.....	98
Legal Debt Margin Information.....	99
Pledged Revenue Coverage.....	100

Demographic and Economic Information

Demographic and Economic Statistics.....	102
Principal Employers	103

TOWN OF JUPITER, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

SEPTEMBER 30, 2013

STATISTICAL SECTION (continued)

Operating Information

Full-time Equivalent Town Employees by Function/Program.....	104
Operating Indicators by Function/Program.....	105
Capital Asset Statistics by Function/Program.....	106
Schedule of Insurance in Force	107
Salaries of Principal Officials.....	108

COMPLIANCE REPORTS AND MANAGEMENT LETTER

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	109
Management Letter Required by the Rules of the Auditor General for the State of Florida	111
Town Response to Management Letter.....	115

INTRODUCTORY SECTION



TOWN OF JUPITER

March 26, 2014

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, 2013, 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, 2013 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 U.S. Census Bureau indicates that the current population of the Town exceeds 56,000 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 have resulted in a significant reduction in growth and development and a corresponding contraction in the local economy. The local economy has shown signs of recovery over the past year with the area unemployment rate dropping to 6.7 percent, the lowest in five years and down 1.7 percentage points from the October 2012 rate of 8.4 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," unwritten policy in place that the unassigned fund balance in the General Fund should equal or exceed twenty-five percent (25%) of the subsequent year's 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 natural disasters and other unforeseen circumstances, the Town has implemented the following cost strategies to reduce operating costs and allow for an appropriately sized unassigned fund balance:

- Reduce the size of government. Over the past few years, the pace of growth and development has slowed significantly throughout the Town and surrounding areas. This slow-down has 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 costs 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 2013 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 2013.

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.
- **Quiet Zone Establishment** - In response to enhancing the Town of Jupiter as a desirable place to live, this program will construct the necessary supplemental safety measures (SSM) or alternative safety measure’s (ASM) to establish a quiet zone corridor along the FEC railroad within the Town.
- **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.
- **Financial Management System** – The Town, in an effort to keep up with technology, converted from its legacy financial management and reporting system to a more up-to-date, user friendly Microsoft based system. This conversion will continue with the implementation of a new community development software system in 2013 and be complete in 2014. The Town will also be converting its customer service, billing and cashiering system, which will start in 2014 and be completed in 2015.
- **Community Broadband** – Through the Town’s planned installation of a community broadband network, the business community 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 will initiate construction for a new park that will also provide parking opportunities for visitors attending Cardinals and Marlins Spring Training games.
- **Riverwalk** – The Town, along with strategic partners, will continue development of the Riverwalk and Inlet Village. The most significant investment will be the construction of the Harbourside project, which is located adjacent to the Riverwalk. Included will be 100,000+ square feet of office, retail and commercial space, a hotel, a public parking garage and other public

amenities. Upon completion, the development is expected to provide an additional \$125 million to the tax base.

- **Tri-Rail** - Thinking longer-term, the Town is working with other governmental agencies to bring Tri-Rail service to Jupiter.
- **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, 2012, 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 Villella, 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

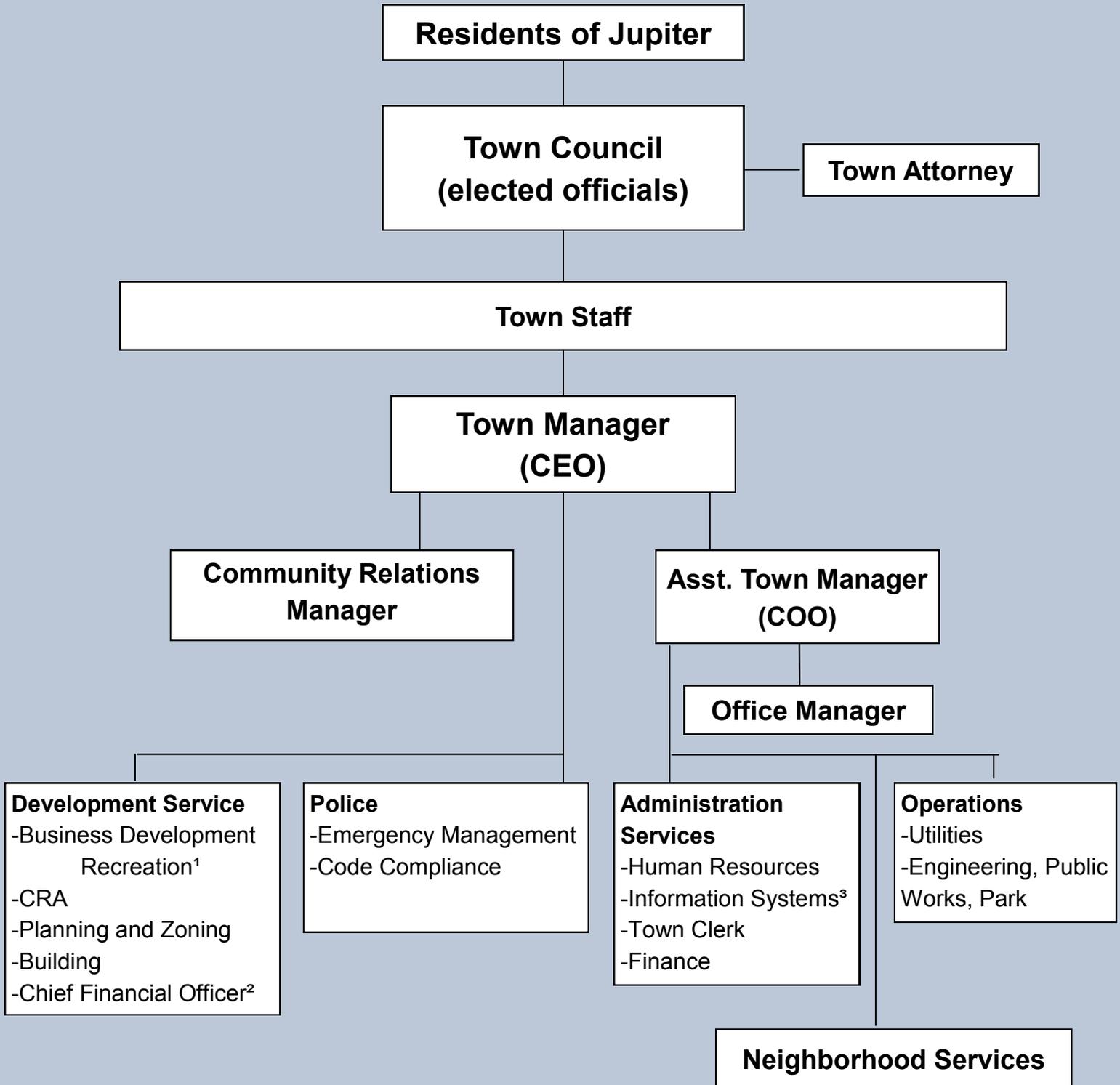
September 30, 2012

Executive Director/CEO

**TOWN OF JUPITER
LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2013**

Mayor	Karen J. Golonka
Vice-mayor	Wendy Harrison
Councilor	Jim J. Kuretski, Jr.
Councilor	Todd R. Wodraska
Councilor	Ilan Kaufer
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.
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	Melinda S. Miller
Building Department Director	Roger D. Held
Business Development Director	Russell A. Ruskay
Human Resources Manager	Timothy J. McPherson

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, 2013, 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 53%, 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, 2013, 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.

Change in Accounting Principle

During the year ended September 30, 2013, the Town of Jupiter, Florida, adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. As more fully described in Note A to the financial statements, the implementation of GASB Statements No. 63 and No. 65 resulted in changes to certain classifications in the presentation of the financial statements and a restatement of the beginning net position/fund balances for the year ended September 30, 2013. Our opinions are not modified with respect to this matter.

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 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 are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, individual fund budgetary comparison schedules 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 26, 2014, 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, Dಂತen, Levine,
Cohen, Porter & Veil, P.A.*

West Palm Beach, Florida
March 26, 2014

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, 2013.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$345,233,293 (*net position*). Of this amount, \$90,357,434 (*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 \$25,136,306. Approximately 40% of this increase is attributable to governmental activities and 60% 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 \$45,947,604, an increase of \$6,575,142 from the prior year fund balance. Approximately 32% 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 \$19,534,430, or 52% of total General Fund expenditures for the current fiscal year.
- The Town's total debt, excluding compensated absences, decreased by approximately \$4,334,000 (7%) during the current fiscal year. The decrease was attributable to scheduled principal payments on the debt. The Town also issued \$28,130,000 in new bonds (Water Revenue Refunding Bonds – Series 2013) to retire the Water Refunding Bonds – Series 2002 and the Water Revenue Bonds – Series 2003.

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. 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 fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund 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. Data from the remaining nonmajor governmental funds is also presented. The basic governmental fund 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 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 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 of this report.

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 \$345,233,293 at the close of the most recent fiscal year. The Town's net position at September 30, 2013 and 2012 are summarized as follows:

Net Position						
(Amounts in Thousands)						
	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current and other assets	\$ 54,997	\$ 46,166	\$ 72,035	\$ 57,677	\$ 127,032	\$ 103,843
Capital assets	<u>90,285</u>	<u>88,897</u>	<u>206,644</u>	<u>206,818</u>	<u>296,929</u>	<u>295,715</u>
Total assets	<u>145,282</u>	<u>135,063</u>	<u>278,679</u>	<u>264,495</u>	<u>423,961</u>	<u>399,558</u>
Deferred Outflows of Resources						
Deferred charges on refunding	-	-	<u>673</u>	-	<u>673</u>	-
Liabilities						
Long-term liabilities outstanding	26,816	28,859	34,876	36,366	61,692	65,225
Other liabilities	<u>8,878</u>	<u>6,470</u>	<u>8,831</u>	<u>7,448</u>	<u>17,709</u>	<u>13,918</u>
Total liabilities	<u>35,694</u>	<u>35,329</u>	<u>43,707</u>	<u>43,814</u>	<u>79,401</u>	<u>79,143</u>
Net Position						
Net investment in capital assets	67,755	64,293	178,560	176,555	246,315	240,848
Restricted	5,765	4,860	2,796	4,625	8,561	9,485
Unrestricted	<u>36,068</u>	<u>30,581</u>	<u>54,289</u>	<u>39,501</u>	<u>90,357</u>	<u>70,082</u>
Total net position	<u>\$ 109,588</u>	<u>\$ 99,734</u>	<u>\$ 235,645</u>	<u>\$ 220,681</u>	<u>\$ 345,233</u>	<u>\$ 320,415</u>

The largest portion of the Town's net position (71%) 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 (3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$90.4 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 \$25.1 million during 2013. Approximately 56% 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, 2013 and 2012 are summarized as follows:

Changes in Net Position
(Amounts in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues						
Charges for services	\$ 8,573	\$ 9,143	\$ 31,772	\$ 26,803	\$ 40,345	\$ 35,946
Operating grants and contributions	1,301	1,932	221	18	1,522	1,950
Capital grants and contributions	5,185	1,158	5,599	2,362	10,784	3,520
General revenues						
Property taxes	20,151	19,920	-	-	20,151	19,920
Other taxes	15,920	15,807	-	-	15,920	15,807
Intergovernmental not restricted to specific programs	1,329	1,158	-	-	1,329	-
Investment earnings	652	469	216	381	868	850
Gain on sale of capital assets	<u>2,285</u>	<u>41</u>	<u>-</u>	<u>7</u>	<u>2,285</u>	<u>48</u>
Total revenues	<u>55,396</u>	<u>49,628</u>	<u>37,808</u>	<u>29,571</u>	<u>93,204</u>	<u>79,199</u>
Expenses						
General governmental	14,933	16,091	-	-	14,933	16,091
Public safety	18,331	17,730	-	-	18,331	17,730
Engineering and public works	7,249	6,443	-	-	7,249	6,443
Culture and recreation	3,094	3,016	-	-	3,094	3,016
Interest on debt	1,485	1,239	-	-	1,485	1,239
Water System	-	-	18,611	18,403	18,611	18,403
Stormwater	-	-	2,182	1,718	2,182	1,718
Building	<u>-</u>	<u>-</u>	<u>2,183</u>	<u>1,958</u>	<u>2,183</u>	<u>1,958</u>
Total expenses	<u>45,092</u>	<u>44,519</u>	<u>22,976</u>	<u>22,079</u>	<u>68,068</u>	<u>66,598</u>
Increase in net position before transfers	10,304	5,109	14,832	7,492	25,136	12,601
Transfers	<u>(299)</u>	<u>101</u>	<u>299</u>	<u>(101)</u>	<u>-</u>	<u>-</u>
Increase in net position	10,005	5,210	15,131	7,391	25,136	12,601
Net position, beginning, as originally reported	99,734	94,524	220,681	213,290	320,415	307,814
Restatement for implementation of GASB Statement No. 65	<u>(151)</u>	<u>-</u>	<u>(167)</u>	<u>-</u>	<u>(318)</u>	<u>-</u>
Net position - beginning of year, as restated	<u>99,583</u>	<u>94,524</u>	<u>220,514</u>	<u>213,290</u>	<u>320,097</u>	<u>307,814</u>
Net position - end of year	<u>\$ 109,588</u>	<u>\$ 99,734</u>	<u>\$ 235,645</u>	<u>\$ 220,681</u>	<u>\$ 345,233</u>	<u>\$ 320,415</u>

Governmental activities. Governmental activities increased the Town’s net position by \$10,005,225, thereby accounting for 40% of the total growth in the net position of the Town. Revenues were approximately \$5,768,000 more than the prior year. The key elements of this increase were a \$4,027,000 increase in revenue from capital contributions from HOA’s that have turned over roadways to the Town and a \$321,000 increase in ad valorem and other taxes due to increased property valuations, new construction activity and increased spending in the local economy. The increases were offset by a \$570,000 decrease in charge for services and a \$631,000 decrease in operating grants due to reduced grant activity.

Business-type activities. Business-type activities increased the Town’s net assets by \$15,131,081, accounting for 60% of the total growth in the government’s net position. Key elements of this change were as follows:

- Water service charge revenue increased approximately \$1.4 million due to increased connection fees and commercial customers being added to the system.
- Building permit revenues increased by \$3.6 million as construction activity continued to increase. The Town experienced an increase in construction permits and fees related to the Harbourside project.
- Stormwater revenues from capital contributions and grants decreased by \$81,000 due to a reduction in private systems being turned over to the Town.
- Expenses increased by approximately \$897,000 due to a variety of reasons as follows:
 - Expenses of the Water System were increased approximately \$184,000 primarily due to R&M at the water plant.
 - Stormwater expenses increased approximately \$463,000 mainly due to field R&M activity.
 - Expenses in the Building Fund increased approximately \$225,000 due to increase activity relating to the community development software implementation.

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 \$45,947,604, an increase of \$6,575,142 from the prior year. Approximately 32.4% of the total fund balance at September 30, 2013 (\$14,887,327) 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	\$ 8,129,979	17.7%
Restricted	6,860,486	14.9%
Assigned	16,069,812	35.0%

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 \$19,534,430, while total fund balance was \$29,271,981. 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 fund expenditures. Unassigned fund balance represents 52% of total General Fund expenditures, while total fund balance represents 78% of that same amount. The fund balance of the Town’s General Fund increased by \$3,014,178 during the current fiscal year. The key factors contributing to this increase were a \$222,000 increase in ad valorem taxes, a \$307,000 increase in sales tax revenue and a \$243,000 increase in fines and forfeitures. These increases in revenues were partially offset by a small increase in expenses related to public safety, engineering and public works.

The Community Redevelopment Fund had an unassigned fund balance deficit of \$3,830,602, substantially all of which is attributable to the liability to the General Fund for costs on various construction projects funded by advances. The General Fund advances will be repaid from future tax increment funds received by the Community Redevelopment Fund as commercial and redevelopment projects increase taxable property values in the CRA district. The Community Redevelopment Fund had a net decrease in the unassigned fund balance deficit during the current year of \$1.5 million, primarily due to the payments on the loan receivable from the Northern Riverwalk Community Development District.

The Capital Improvements Fund has a total fund balance of \$15,282,563 which is intended for the Town's current and future capital projects. The net increase in fund balance during the current year in the Capital Improvements Fund was \$2,100,472. The key factors contributing to this increase were an increase in fines and forfeitures of \$773,000 and an increase of \$2.4 million on the sale of land, which were offset by a decrease in capital outlay expenditures of \$1.2 million due to the timing of costs incurred on a number of projects included in the Town's Adopted Community Investment Program.

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 \$35,707,998, \$6,427,742, and \$12,153,283, respectively. The total growth in net position of the Water System Fund, Stormwater Fund and Building Fund was \$9,534,494, \$713,735 and \$4,882,852, 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 \$559,000 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 \$65,000 was appropriated from excess service charge revenues generated from various recreation programs to fund related program costs.
- Approximately \$38,000 was appropriated to fund neighborhood improvement programs.
- Approximately \$31,000 was re-appropriated for business façade grants.
- Approximately \$425,000 was appropriated for death benefits, insurance reimbursements, police federal forfeiture activity and the Towns wellness program.

During the year, actual revenues and other sources were \$140,146 greater than budgetary estimates. Revenues were greater than budgetary expenditures by approximately \$2.88 million due to increased collections for Ad-Valorem taxes, utility service taxes, state shared proceeds, sales tax and CRA interest transfers.

Community Redevelopment Fund. Differences between the original budget and the final amended budget resulted in a net increase of approximately \$4,106,000 in appropriations and were generally attributable to the re-appropriation of budgeted but unexpended funds for various capital projects approved but not completed in 2012 including the A1A roadway project and the Riverwalk at Harbourside. Revenues were over budget by approximately \$122,000 due to interest received for the Northern Riverwalk CDD loan.

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, 2013, amounts to \$296,929,011 (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 0.4% (almost all of which came from governmental activities). The Town's capital assets at September 30, 2013 and 2012 are summarized as follows:

Capital Assets

(Amounts in Thousands, net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 41,759	\$ 42,323	\$ 569	\$ 569	\$ 42,328	\$ 42,892
Construction in progress	-	-	1,932	3,195	1,932	3,195
Buildings	9,057	9,408	77,360	77,634	86,417	87,042
Improvements	22,874	22,949	119,807	119,511	142,681	142,460
Machinery and Equipment	2,717	2,665	6,976	5,909	9,693	8,574
Infrastructure	<u>13,878</u>	<u>11,552</u>	<u>-</u>	<u>-</u>	<u>13,878</u>	<u>11,552</u>
Total assets	<u>\$ 90,285</u>	<u>\$ 88,897</u>	<u>\$ 206,644</u>	<u>\$ 206,818</u>	<u>\$ 296,929</u>	<u>\$ 295,715</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 a Microsoft enterprise agreement and costs in the replacement of the Town's financial management system.
- 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 42-43 of this report.

Outstanding debt. At the end of the current fiscal year, the Town had total bonded debt and loans outstanding of approximately \$57,686,000. Of this amount, \$17,320,000 comprises general obligation bonded debt, and \$6,390,000 is revenue bonded debt for which the Town has pledged sales taxes. The remainder of the Town's debt of \$33,976,000 represents loans and bonds secured solely by the net revenues of the Enterprise Funds. The Town's total debt decreased, by approximately \$4,334,000 (7%) 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	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 17,320	\$ 18,645	\$ -	\$ -	\$ 17,320	\$ 18,645
Sales tax revenue bonds	6,390	7,145	-	-	6,390	7,145
Water System revenue bonds/notes	-	-	33,760	35,960	33,760	35,960
Stormwater loan	<u>-</u>	<u>-</u>	<u>216</u>	<u>270</u>	<u>216</u>	<u>270</u>
Total debt	<u>\$ 23,710</u>	<u>\$ 25,790</u>	<u>\$ 33,976</u>	<u>\$ 36,230</u>	<u>\$ 57,686</u>	<u>\$ 62,020</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 \$1.3 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 43-49 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 \$3,637,151 to \$19,834,430. The Town has appropriated \$437,249 of this amount for spending in the 2014 fiscal year budget. In addition, the following factors were considered in preparing the Town’s budget for the 2014 fiscal year.

- Property tax reform passed by the voters of Florida and the stabilization of property values will limit the Town’s ability to generate future ad valorem tax revenues.
- The Town anticipates offering Town employees and their dependents the opportunity to participate in an employee health clinic beginning January 1, 2014. The clinic will assist in reduced or stabilized health insurance premium.
- 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 Utility revenues are constricted due to water restrictions imposed by the South Florida Water Management District.

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.



Andrew D. Lukasik
Town Manager



Michael Villella, C.P.A.
Finance Director

BASIC FINANCIAL STATEMENTS

TOWN OF JUPITER, FLORIDA

STATEMENT OF NET POSITION

September 30, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 17,018,028	\$ 30,788,629	\$ 47,806,657
Investments	32,522,523	24,103,589	56,626,112
Accounts receivable, net	1,852,168	1,611,058	3,463,226
Grants receivable	73,383	-	73,383
Interest receivable	96,710	-	96,710
Other receivable	-	759,391	759,391
Inventory	55,551	733,155	788,706
Internal balances	(185,980)	185,980	-
Prepaid expenses	106,594	21,707	128,301
Restricted assets			
Restricted cash and cash equivalents	-	8,057,730	8,057,730
Restricted investments	2,336,386	-	2,336,386
Notes receivable	830,501	-	830,501
Noncurrent receivables	-	5,773,422	5,773,422
Net pension asset	291,493	-	291,493
Capital assets, not being depreciated			
Land	41,758,576	569,123	42,327,699
Construction in progress	-	1,932,436	1,932,436
Capital assets, net of accumulated depreciation			
Buildings and plant	9,057,467	77,359,187	86,416,654
Improvements	22,873,807	119,807,442	142,681,249
Machinery and equipment	2,716,975	6,975,973	9,692,948
Infrastructure	13,878,025	-	13,878,025
Total Assets	<u>145,282,207</u>	<u>278,678,822</u>	<u>423,961,029</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	672,780	672,780
LIABILITIES			
Accounts payable	1,446,456	825,175	2,271,631
Accrued expenses	776,299	123,331	899,630
Deposits	6,220,144	2,520,894	8,741,038
Unearned revenue	434,715	5,318,964	5,753,679
Liabilities payable from restricted assets	-	42,271	42,271
Noncurrent liabilities			
Due within one year			
Compensated absences	155,000	75,000	230,000
Bonds and notes	2,165,000	1,674,000	3,839,000
Due in more than one year			
Compensated absences	2,773,271	750,119	3,523,390
Bonds and notes	21,460,877	32,302,000	53,762,877
Net other postemployment benefits obligation	262,575	74,425	337,000
Total Liabilities	<u>35,694,337</u>	<u>43,706,179</u>	<u>79,400,516</u>
NET POSITION			
Net investment in capital assets	67,755,359	178,559,717	246,315,076
Restricted for:			
Debt retirement	1,356,700	1,965,619	3,322,319
Capital projects	2,517,319	831,064	3,348,383
Law enforcement	650,081	-	650,081
Economic development	1,240,000	-	1,240,000
Unrestricted	36,068,411	54,289,023	90,357,434
Total Net Position	<u>\$ 109,587,870</u>	<u>\$ 235,645,423</u>	<u>\$ 345,233,293</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, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
GOVERNMENTAL ACTIVITIES				
General government	\$ 14,933,432	\$ 1,979,330	\$ 410,317	\$ 3,164,600
Public safety	18,331,070	1,425,790	539,098	105,781
Engineering and public works	7,248,818	4,056,816	351,944	1,100,924
Culture and recreation	3,093,620	1,110,597	-	813,965
Interest on long-term debt	1,485,453	-	-	-
Total Governmental Activities	45,092,393	8,572,533	1,301,359	5,185,270
BUSINESS-TYPE ACTIVITIES				
Water system	18,610,942	22,440,834	39,864	5,071,628
Stormwater	2,181,847	2,271,598	181,244	527,300
Building	2,183,139	7,059,912	-	-
Total Business-type Activities	22,975,928	31,772,344	221,108	5,598,928
Total	\$ 68,068,321	\$ 40,344,877	\$ 1,522,467	\$ 10,784,198

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, as originally reported

Restatement for implementation of GASB Statements

Net position at beginning of year, as restated

Net position at end of year

Net Revenues (Expenses) and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (9,379,185)	\$ -	\$ (9,379,185)
(16,260,401)	-	(16,260,401)
(1,739,134)	-	(1,739,134)
(1,169,058)	-	(1,169,058)
<u>(1,485,453)</u>	<u>-</u>	<u>(1,485,453)</u>
(30,033,231)	-	(30,033,231)
-	8,941,384	8,941,384
-	798,295	798,295
-	<u>4,876,773</u>	<u>4,876,773</u>
<u>-</u>	<u>14,616,452</u>	<u>14,616,452</u>
(30,033,231)	14,616,452	(15,416,779)
20,150,640	-	20,150,640
4,182,628	-	4,182,628
3,967,109	-	3,967,109
2,830,528	-	2,830,528
3,793,323	-	3,793,323
1,146,761	-	1,146,761
1,329,434	-	1,329,434
652,258	215,677	867,935
2,284,727	-	2,284,727
<u>(298,952)</u>	<u>298,952</u>	<u>-</u>
<u>40,038,456</u>	<u>514,629</u>	<u>40,553,085</u>
10,005,225	15,131,081	25,136,306
99,733,817	220,681,592	320,415,409
<u>(151,172)</u>	<u>(167,250)</u>	<u>(318,422)</u>
<u>99,582,645</u>	<u>220,514,342</u>	<u>320,096,987</u>
<u>\$ 109,587,870</u>	<u>\$ 235,645,423</u>	<u>\$ 345,233,293</u>

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

TOWN OF JUPITER, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2013

	Major Governmental Funds				
	General Fund	Community Redevelopment Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 9,004,843	\$ 2,483,960	\$ 1,518,099	\$ 4,011,126	\$ 17,018,028
Investments	14,088,368	-	17,221,619	1,212,536	32,522,523
Accounts receivable, net	1,851,568	600	-	-	1,852,168
Grants receivable	3,987	-	51,053	18,343	73,383
Interest receivable	-	96,710	-	-	96,710
Due from other funds	6,837,333	-	-	-	6,837,333
Inventory	55,551	-	-	-	55,551
Prepaid items	106,594	-	-	-	106,594
Restricted investments	1,240,000	-	1,096,386	-	2,336,386
Notes receivable	14,000	816,501	-	-	830,501
Total Assets	<u>\$ 33,202,244</u>	<u>\$ 3,397,771</u>	<u>\$ 19,887,157</u>	<u>\$ 5,242,005</u>	<u>\$ 61,729,177</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 878,578	\$ 92,805	\$ 456,730	\$ 18,343	\$ 1,446,456
Accrued liabilities	560,235	-	-	-	560,235
Due to other funds	185,980	6,837,333	-	-	7,023,313
Deposits	2,012,042	60,238	4,147,864	-	6,220,144
Total Liabilities	<u>3,636,835</u>	<u>6,990,376</u>	<u>4,604,594</u>	<u>18,343</u>	<u>15,250,148</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	<u>293,428</u>	<u>237,997</u>	<u>-</u>	<u>-</u>	<u>531,425</u>
FUND BALANCES					
Nonspendable:					
Inventory	55,551	-	-	-	55,551
Prepaid items	106,594	-	-	-	106,594
Advance due from other fund	6,837,333	-	-	-	6,837,333
Notes receivable	14,000	816,501	-	-	830,501
Restricted for:					
Debt service	-	-	-	1,356,700	1,356,700
Capital projects	-	-	-	3,613,705	3,613,705
Law enforcement	396,824	-	-	253,257	650,081
Economic development	1,240,000	-	-	-	1,240,000
Assigned to:					
Capital projects	-	-	15,282,563	-	15,282,563
Subsequent year's budget	437,249	-	-	-	437,249
Health insurance	350,000	-	-	-	350,000
Unassigned:					
General Fund	19,834,430	-	-	-	19,834,430
Special Revenue Funds (deficit)	-	(4,647,103)	-	-	(4,647,103)
Total Fund Balances	<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>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 33,202,244</u>	<u>\$ 3,397,771</u>	<u>\$ 19,887,157</u>	<u>\$ 5,242,005</u>	<u>\$ 61,729,177</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, 2013

Total governmental fund balances	\$ 45,947,604
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.	90,284,850
Some revenues reported in the statement of activities do not generate current financial resources and, therefore, are unavailable revenues in the funds.	96,710
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.	291,493
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.	84,123
Accrued interest on bonds payable is not due and payable in the current period and, therefore, is not reported in the funds.	(216,064)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and note payable	(23,710,000)
Compensated absences	(2,928,271)
Net other postemployment benefits obligation	(262,575)
	<u>(26,900,846)</u>
Total net position	<u>\$ 109,587,870</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, 2013

	Major Governmental Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Community Redevelopment Fund	Capital Improvements Fund		
REVENUES					
Taxes	\$ 23,292,644	\$ 627,324	\$ 2,025,601	\$ 2,149,469	\$ 28,095,038
Franchise fees	4,182,628	-	-	-	4,182,628
Licenses and permits	793,538	-	-	1,750,482	2,544,020
Intergovernmental	2,262,296	-	208,142	3,820,653	6,291,091
Charges for services	6,218,437	38,475	-	-	6,256,912
Fines and forfeitures	487,085	-	773,216	-	1,260,301
Investment earnings	456,500	117,409	88,158	10,765	672,832
Donations	12,516	-	-	-	12,516
Miscellaneous	234,872	261,782	48,491	41,022	586,167
Total Revenues	<u>37,940,516</u>	<u>1,044,990</u>	<u>3,143,608</u>	<u>7,772,391</u>	<u>49,901,505</u>
EXPENDITURES					
Current					
General government	12,867,361	339,193	145,726	4,655	13,356,935
Public safety	17,861,468	-	-	95,323	17,956,791
Engineering and public works	4,931,333	-	1,035,072	-	5,966,405
Culture and recreation	1,808,293	-	541,674	-	2,349,967
Capital outlay	282,623	477,186	1,980,589	-	2,740,398
Debt service					
Principal	-	-	-	2,080,000	2,080,000
Interest	-	340,284	-	1,154,692	1,494,976
Total Expenditures	<u>37,751,078</u>	<u>1,156,663</u>	<u>3,703,061</u>	<u>3,334,670</u>	<u>45,945,472</u>
Revenues Over (Under) Expenditures	189,438	(111,673)	(559,453)	4,437,721	3,956,033
OTHER FINANCING SOURCES (USES)					
Insurance recoveries	66,312	-	-	-	66,312
Proceeds from sale of capital assets	3,139	423,610	2,425,000	-	2,851,749
Transfers in	2,757,030	-	572,265	1,741	3,331,036
Transfers out	(1,741)	(50,000)	(337,340)	(3,240,907)	(3,629,988)
Total Other Financing Sources (Uses)	<u>2,824,740</u>	<u>373,610</u>	<u>2,659,925</u>	<u>(3,239,166)</u>	<u>2,619,109</u>
Net Change in Fund Balances	3,014,178	261,937	2,100,472	1,198,555	6,575,142
Fund balances (deficit) at beginning of year	<u>26,257,803</u>	<u>(4,092,539)</u>	<u>13,182,091</u>	<u>4,025,107</u>	<u>39,372,462</u>
Fund balances (deficit) at end 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>

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, 2013

Net change in fund balance - total governmental funds	\$ 6,575,142
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. Capital outlays and depreciation expense were as follows in the current period.	
Capital outlay	2,740,398
Depreciation expense	(3,950,117)
Some revenues reported in the statement of activities do not generate current financial resources and are therefore not reported as revenue by the funds.	
Developer contributions of capital assets	3,164,600
Change in unearned interest on note receivable	(20,574)
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.	
	(567,022)
Payment of accrued interest is an expenditure in the Governmental funds, but is a reduction of accrued liabilities in the statement of net position.	
	16,683
Debt issuance provides current financial resources to governmental funds, but issuing debt increases liabilities in the statement of net position. Governmental funds report the effect of debt discount when debt is issued, whereas these amounts are deferred and amortized in the statement of activities.	
Debt retirement - principal paid	2,080,000
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	4,020
Change in compensated absences	(5,950)
Change in net other postemployment benefits obligation	(24,795)
Change in net position of governmental activities	<u>\$ 10,005,225</u>

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

TOWN OF JUPITER, FLORIDA

STATEMENT OF NET POSITION - ENTERPRISE FUNDS

September 30, 2013

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 18,596,869	\$ 5,945,058	\$ 6,246,702	\$ 30,788,629
Investments	16,420,202	388,702	7,294,685	24,103,589
Accounts receivable, net	1,356,462	254,596	-	1,611,058
Other receivable	759,391	-	-	759,391
Due from other funds	185,980	-	-	185,980
Inventory	733,155	-	-	733,155
Prepaid expenses	21,707	-	-	21,707
Restricted assets				
Cash and cash equivalents	8,057,730	-	-	8,057,730
Total Current Assets	<u>46,131,496</u>	<u>6,588,356</u>	<u>13,541,387</u>	<u>66,261,239</u>
NONCURRENT ASSETS				
Noncurrent receivables	5,773,422	-	-	5,773,422
Capital assets				
Land and improvements	458,616	110,507	-	569,123
Construction in progress	1,804,234	33,831	94,371	1,932,436
Water treatment systems	92,295,973	-	-	92,295,973
Buildings and improvements	8,599,000	39,334,973	544,583	48,478,556
Water distribution systems	130,675,718	-	-	130,675,718
Wells	27,508,881	-	-	27,508,881
Equipment and pumps	8,913,243	445,068	-	9,358,311
Meters	17,259,316	-	-	17,259,316
	<u>287,514,981</u>	<u>39,924,379</u>	<u>638,954</u>	<u>328,078,314</u>
Less accumulated depreciation	<u>(107,123,692)</u>	<u>(13,807,010)</u>	<u>(503,451)</u>	<u>(121,434,153)</u>
Total Capital Assets, net	<u>180,391,289</u>	<u>26,117,369</u>	<u>135,503</u>	<u>206,644,161</u>
Total Noncurrent Assets	<u>186,164,711</u>	<u>26,117,369</u>	<u>135,503</u>	<u>212,417,583</u>
Total Assets	<u>232,296,207</u>	<u>32,705,725</u>	<u>13,676,890</u>	<u>278,678,822</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	<u>672,780</u>	<u>-</u>	<u>-</u>	<u>672,780</u>

Continued

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 707,419	\$ 39,168	\$ 78,588	\$ 825,175
Accrued expenses	80,025	9,379	33,927	123,331
Compensated absences payable	52,159	7,592	15,249	75,000
Current maturities on loans and bonds	1,620,000	54,000	-	1,674,000
	<u>2,459,603</u>	<u>110,139</u>	<u>127,764</u>	<u>2,697,506</u>
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS				
Accounts and contracts payable	42,271	-	-	42,271
Total Current Liabilities	<u>2,501,874</u>	<u>110,139</u>	<u>127,764</u>	<u>2,739,777</u>
NONCURRENT LIABILITIES				
Customer deposits	1,391,557	-	-	1,391,557
Other deposits	22,215	23,479	1,083,643	1,129,337
Unearned revenue	5,318,964	-	-	5,318,964
Net other postemployment benefits obligation	45,176	5,066	24,183	74,425
Compensated absences payable, net of current portion	521,675	75,930	152,514	750,119
Loan payable, net of current portion	-	162,000	-	162,000
Revenue bonds payable, net of current portion	32,140,000	-	-	32,140,000
Total Noncurrent Liabilities	<u>39,439,587</u>	<u>266,475</u>	<u>1,260,340</u>	<u>40,966,402</u>
Total Liabilities	<u>41,941,461</u>	<u>376,614</u>	<u>1,388,104</u>	<u>43,706,179</u>
NET POSITION				
Net investment in capital assets	152,522,845	25,901,369	135,503	178,559,717
Restricted				
Debt retirement	1,965,619	-	-	1,965,619
Capital projects	831,064	-	-	831,064
Unrestricted	35,707,998	6,427,742	12,153,283	54,289,023
Total Net Position	<u>\$ 191,027,526</u>	<u>\$ 32,329,111</u>	<u>\$ 12,288,786</u>	<u>\$ 235,645,423</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, 2013

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
OPERATING REVENUES				
Charges for services	\$ 22,043,643	\$ 2,229,455	\$ 13	\$ 24,273,111
Licenses and permits	-	-	7,059,349	7,059,349
Other fees and charges	396,191	2,019	550	398,760
Total Operating Revenues	<u>22,439,834</u>	<u>2,231,474</u>	<u>7,059,912</u>	<u>31,731,220</u>
OPERATING EXPENSES				
Personal services	4,413,908	605,870	1,786,198	6,805,976
General operating expenses	7,136,866	1,012,524	388,793	8,538,183
Depreciation	5,378,065	563,038	8,148	5,949,251
Total Operating Expenses	<u>16,928,839</u>	<u>2,181,432</u>	<u>2,183,139</u>	<u>21,293,410</u>
Operating Income	<u>5,510,995</u>	<u>50,042</u>	<u>4,876,773</u>	<u>10,437,810</u>
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental	39,864	181,244	-	221,108
Investment earnings	188,669	6,176	28,549	223,394
Miscellaneous revenues	1,000	40,124	-	41,124
Net change in fair value of investments	381	256	(8,354)	(7,717)
Loss on sale of capital assets	(45,053)	-	-	(45,053)
Interest expense	(1,460,756)	(415)	-	(1,461,171)
Debt issuance costs	(47,500)	-	-	(47,500)
Other debt service expense	(1,886)	-	-	(1,886)
Amortization expense	(126,908)	-	-	(126,908)
Total Nonoperating Revenues (Expenses)	<u>(1,452,189)</u>	<u>227,385</u>	<u>20,195</u>	<u>(1,204,609)</u>
Income Before Capital Contributions and Transfers	4,058,806	277,427	4,896,968	9,233,201
CAPITAL CONTRIBUTIONS	5,071,628	527,300	-	5,598,928
TRANSFERS	<u>404,060</u>	<u>(90,992)</u>	<u>(14,116)</u>	<u>298,952</u>
Change in Net Position	9,534,494	713,735	4,882,852	15,131,081
Net position at beginning of year, as restated as originally reported	181,660,282	31,615,376	7,405,934	220,681,592
Restatement for implementation of GASB Statements	<u>(167,250)</u>	<u>-</u>	<u>-</u>	<u>(167,250)</u>
Net position at beginning of year, as restated	<u>181,493,032</u>	<u>31,615,376</u>	<u>7,405,934</u>	<u>220,514,342</u>
Net position at end of year	<u>\$ 191,027,526</u>	<u>\$ 32,329,111</u>	<u>\$ 12,288,786</u>	<u>\$ 235,645,423</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, 2013

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 22,109,075	\$ 2,248,263	\$ 7,781,752	\$ 32,139,090
Cash paid to suppliers and contractors	(7,235,073)	(1,011,435)	(307,590)	(8,554,098)
Cash paid to employees	(4,428,954)	(599,800)	(1,774,670)	(6,803,424)
Cash received from others	397,191	42,143	550	439,884
Net Cash Provided By Operating Activities	10,842,239	679,171	5,700,042	17,221,452
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants received	39,864	181,244	-	221,108
Transfers	404,060	(90,992)	(14,116)	298,952
Net Cash Provided By (Used In) Noncapital Financing Activities	443,924	90,252	(14,116)	520,060
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	2,969,430	527,300	-	3,496,730
Acquisition and construction of capital assets	(3,372,758)	(555,267)	(135,880)	(4,063,905)
Proceeds from disposal of capital assets	2,352	-	-	2,352
Proceeds from refunding revenue bonds	28,130,000	-	-	28,130,000
Principal paid on revenue bonds	(30,330,000)	-	-	(30,330,000)
Principal paid on loan payable	-	(54,000)	-	(54,000)
Interest and other debt service charges	(1,658,289)	(415)	-	(1,658,704)
Net Cash Used In Capital and Related Financing Activities	(4,259,265)	(82,382)	(135,880)	(4,477,527)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	(2,084,661)	(1,830)	(6,721,046)	(8,807,537)
Interest received	188,669	6,176	28,549	223,394
Net Cash Provided By (Used In) Investing Activities	(1,895,992)	4,346	(6,692,497)	(8,584,143)
Net Increase (Decrease) in Cash and Cash Equivalents	5,130,906	691,387	(1,142,451)	4,679,842
Cash and cash equivalents at beginning of year	21,523,693	5,253,671	7,389,153	34,166,517
Cash and cash equivalents at end of year	\$ 26,654,599	\$ 5,945,058	\$ 6,246,702	\$ 38,846,359
Cash and Cash Equivalents Reconciliation				
Unrestricted	\$ 18,596,869	\$ 5,945,058	\$ 6,246,702	\$ 30,788,629
Restricted	8,057,730	-	-	8,057,730
Cash and cash equivalents at end of year	\$ 26,654,599	\$ 5,945,058	\$ 6,246,702	\$ 38,846,359

	Major Enterprise Funds			Total Enterprise Funds
	Water System Fund	Stormwater Fund	Building Fund	
NONCASH FINANCING AND INVESTING ACTIVITIES				
Capital contributions	\$ 1,689,192	\$ -	\$ -	\$ 1,689,192
Change in fair value of investments	\$ 381	\$ 256	\$ (8,354)	\$ (7,717)
Amortization of bond discount/premium	\$ 54,226	\$ -	\$ -	\$ 54,226
Amortization of refunding loss	\$ 72,682	\$ -	\$ -	\$ 72,682
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	\$ 5,510,995	\$ 50,042	\$ 4,876,773	\$ 10,437,810
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	5,378,065	563,038	8,148	5,949,251
Provision for doubtful accounts	(283,693)	(35,724)	-	(319,417)
Miscellaneous revenues	1,000	40,124	-	41,124
Changes in operating assets and liabilities				
Accounts receivable	650,185	54,532	-	704,717
Other receivable	(465,546)	-	-	(465,546)
Due from other funds	214,944	-	22,809	237,753
Inventory	(733,155)	-	-	(733,155)
Prepaid expenses	556,258	9,361	-	565,619
Accounts payable	(136,254)	(8,272)	58,394	(86,132)
Accrued expenses	(10,965)	(1,173)	6,115	(6,023)
Compensated absences	(8,756)	6,630	3,496	1,370
Deposits	116,008	-	722,390	838,398
Unearned revenue	48,478	-	-	48,478
Net OPEB obligation	4,675	613	1,917	7,205
Net Cash Provided By Operating Activities	\$ 10,842,239	\$ 679,171	\$ 5,700,042	\$ 17,221,452

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

TOWN OF JUPITER, FLORIDA

STATEMENT OF NET POSITION - FIDUCIARY FUND

September 30, 2013

	Municipal Police Officers' Retirement Trust Fund
ASSETS	
Cash and cash equivalents	\$ 2,918,246
Investments	
Certificates of deposit	3,614,697
U.S. Government bonds and notes	1,904,228
U.S. Government Agency securities	3,171,247
Corporate obligations	8,280,557
Asset-backed bonds	1,636,824
Foreign bonds	26,228
Equity securities	10,142,467
Preferred stock	855,043
Equity mutual funds	5,944,072
Real estate investment trust index funds	2,443,009
Commingled real estate funds	2,750,443
International equity funds	7,595,932
Total Investments	<u>48,364,747</u>
Receivables	
Accrued interest and dividends	152,968
Employer contributions	40,558
Total Receivables	<u>193,526</u>
Total Assets	51,476,519
LIABILITIES	
Accounts payable and accrued expenses	107,429
Pending trades payable	683,722
Total Liabilities	<u>791,151</u>
NET POSITION	
Restricted for pension benefits	<u>\$ 50,685,368</u>

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

TOWN OF JUPITER, FLORIDA

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUND

For the Year Ended September 30, 2013

	Municipal Police Officers' Retirement Trust Fund
ADDITIONS	
Contributions	
Town	\$ 2,473,921
State	482,537
Employee	668,941
	<u>3,625,399</u>
Investment earnings	
Net appreciation in fair value of investments	4,374,172
Interest and dividends	1,142,460
	<u>5,516,632</u>
Less investment expenses	227,698
Net investment earnings	<u>5,288,934</u>
Total Additions	8,914,333
DEDUCTIONS	
Pension benefits	2,046,989
Contribution refunds	23,761
Administrative expenses	118,841
	<u>2,189,591</u>
Total Deductions	<u>2,189,591</u>
Change in Net Position	6,724,742
Net Position at Beginning of Year	<u>43,960,626</u>
Net Position at End of Year	<u><u>\$ 50,685,368</u></u>

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

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The Town of Jupiter, Florida (the "Town"), is a political subdivision 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. See Note L - Commitment and Contingencies.

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, 2013

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, 2013

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 Net Position and a Statement of Changes in 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, 2013

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, 2013, taxes receivable were \$294,892 and were offset by an allowance of \$294,892 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 3.4581 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 6.5419.

Property Tax Reform: 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, 2013, the Town adopted a total millage rate of 2.8262, which was less than the maximum tax rate permitted. This millage rate resulted in a total tax levy of \$19,212,570 for 2013, representing a 5.6% increase from the property tax levy for 2012. 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, 2013

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 U.S. Government Agency and Instrumentality securities, corporate equity and debt securities, certificate of deposits 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 initial, individual cost of more than \$5,000, software with an individual cost of \$25,000, and an estimated useful life in excess of one year. Capital assets are recorded at cost or, if donated, fair value at the date of donation. Expenses which materially extend the useful life of existing

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 are 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 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, 2013

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, 2013

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 direction 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 \$482,537 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, 2013, have been recognized as intergovernmental revenue in the General Fund. The expenditure for the MPORT pension was recorded in the General Fund under 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.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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, 2013:

- GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.*

This Statement codifies all sources of GAAP for state and local governments so that the authoritative accounting and financial reporting literature will be together in a single source, with that guidance modified as necessary to appropriately recognize the governmental environment and the needs of governmental financial statement users. The Town elected to include all pre-November 30, 1989 FASB pronouncements, which are now codified in GASB Statement No. 62.

- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*

This Statement provides guidance for deferred outflows and deferred inflows of resources and identifies *net position* as the residual of all other elements presented in a statement of financial position. This Statement re-defines certain assets and liabilities as deferred outflows / inflows of resources and requires the financial statement line items "Investment in capital assets, net of related debt" and "Net Assets" to be re-titled as "Net investment in capital assets" and "Net Position", respectively.

- GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities.*

This Statement provides additional guidance for the accounting and financial reporting for deferred outflows/inflows of resources and certain items that were previously reported as assets, as set forth in GASB Statement No. 63. This Statement specifically addresses the calculation of a deferred outflow or inflow related to the refunding of debt and requires that debt issuance costs be expensed in the period the debt was issued. This Statement also requires that taxes and lease revenues received prior to the period to which they relate, are to be classified as *unavailable revenues* (a deferred inflow of resources).

As a result of the adoption of these GASB Statements, the beginning net position of the governmental activities on the Government-wide Statement of Net Position was restated by \$151,172 and the business-type activities on the Government-wide Statement of Net Position and enterprise funds Statement of Net Position was restated by \$167,250 at October 1, 2012 to expense the unamortized balance of debt issue costs.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the General Fund and the internal service fund type. This Statement also amends 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 will be effective for the Town for the fiscal year ending September 30, 2014.
- 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. The requirements of this statement will be effective for the Town for the fiscal year ending September 30, 2014.
- 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.
- 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. 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

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

recognized as a liability by the government. The requirements of this statement will be effective for the Town for the fiscal year ending September 30, 2014.

- 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.

NOTE B - CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and Cash Equivalents: At September 30, 2013, cash and cash equivalents included petty cash of \$5,141, deposits in checking and demand deposit accounts of \$29,479,375, and investments in money market mutual funds of \$26,385,012. 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) includes \$2,918,246 invested in a money market mutual fund.

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 deposits or savings accounts in State qualified public depositories; obligations of the Federal Farm Credit Banks, Federal Home Loan Mortgage Corporation, Federal Home Loan Bank, or obligations guaranteed by the Government National Mortgage Association; obligations of Fannie Mae; the Florida Municipal Investment Trust; floating rate securities, money market mutual funds and repurchase agreements invested exclusively in obligations of the U.S. Government and its Agencies and Instrumentalities; and, investments specifically authorized by Town ordinance or resolution. The Town's investment policy prohibits investing in corporate equity securities or any derivative investment products.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

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

The Municipal Police Officers' Retirement Trust Fund (MPORT) is also authorized to invest in bonds issued by the State of Israel and bonds, stocks or other evidence of equity or indebtedness issued or guaranteed by a corporation organized under the laws of the United States or organized territory of the United States, or the District of Columbia, provided that the corporation is listed on any one or more of the recognized national stock exchanges and, in the case of bonds only, holds an investment grade rating by a major rating service.

Additionally, the MPORT Board of Trustees may not invest more than twenty-five percent of MPORT assets in foreign securities, nor more than five percent of its assets in the common stock or capital stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed five percent of the outstanding capital stock of that company, nor shall the aggregate of these investments exceed seventy percent of the fund's assets.

The Town's investments at September 30, 2013, are summarized as follows:

	Primary Government	Fiduciary Fund Pension Trust	Total
Florida Prime	\$ 54,743,219	\$ -	\$ 54,743,219
LGIP Fund B	758,628	-	758,628
Certificates of deposit (\$1,240,000 pledged - Note L)	3,428,893	3,614,697	7,043,590
U.S. Government bonds and notes	-	1,904,228	1,904,228
U.S. Government Agency securities	31,758	3,171,247	3,203,005
Corporate obligations	-	8,280,557	8,280,557
Asset-backed bonds	-	1,636,824	1,636,824
Foreign bonds	-	26,228	26,228
Equity securities	-	10,142,467	10,142,467
Preferred stock	-	855,043	855,043
Equity mutual funds	-	5,944,072	5,944,072
REIT index funds	-	2,443,009	2,443,009
Commingled real estate funds	-	2,750,443	2,750,443
International equity funds	-	7,595,932	7,595,932
Total investments	<u>\$ 58,962,498</u>	<u>\$ 48,364,747</u>	<u>\$ 107,327,245</u>
Reported in the financial statements as:			
Cash and cash equivalents	\$ 47,806,657	\$ 2,918,246	\$ 50,724,903
Restricted cash and cash equivalents	<u>8,057,730</u>	<u>-</u>	<u>8,057,730</u>
Total cash and cash equivalents	55,864,387	2,918,246	58,782,633
Investments	56,626,112	48,364,747	104,990,859
Restricted investments	<u>2,336,386</u>	<u>-</u>	<u>2,336,386</u>
Total investments	<u>58,962,498</u>	<u>48,364,747</u>	<u>107,327,245</u>
Total cash, cash equivalents and investments	<u>\$ 114,826,885</u>	<u>\$ 51,282,993</u>	<u>\$ 166,109,878</u>

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

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

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. Fund B is closed to deposits and withdrawals and is generally expected to hold all assets to their ultimate maturity and to distribute funds to participants as they become available. Accordingly, the Fund B investment is illiquid and is recorded at fair value based on the net asset value of the Fund B assets reported by the SBA. At September 30, 2013, the Fund B investments had a net asset value approximating 95% of amortized cost. The ultimate realizable value of the Fund B investment cannot be determined at this time, however, it is the opinion of management based upon consultation with Fund B officials that the amount of loss, if any, will not adversely affect the financial position of the Town. Additional information on the current status of LGIP Fund B may be obtained from the State of Florida.

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, 2013, all Town investments were held in custodial accounts, but not in the name of the Town or Pension Trust Fund. Florida Prime, LGIP Fund B and money market mutual funds are considered *unclassified* pursuant to GASB Statement No. 3.

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 50% 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, 2013, Florida Prime and the money market mutual funds had a weighted average maturity of less than one year. LGIP Fund B had a weighted average maturity of 4.08 years.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

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

The following table summarizes the scheduled maturities of debt securities at September 30, 2013.

	Fair Value of Investment Maturities			
	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
U.S. Government bonds and notes	\$ 163,587	\$ 568,204	\$ 814,235	\$ 358,202
U.S. Government Agency securities	689,021	73,797	14,181	2,426,006
Corporate obligations	555,267	2,970,799	3,353,912	1,400,579
Asset-backed bonds	163,867	128,278	431,348	913,331
Foreign bonds	-	26,228	-	-
	<u>\$ 1,571,742</u>	<u>\$ 3,767,306</u>	<u>\$ 4,613,676</u>	<u>\$ 5,098,118</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 must 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 LGIP Fund B is not rated.

The NRSRO ratings for the Town's investment securities at September 30, 2013, are summarized as follows:

	<u>NRSRO Rating</u>	<u>Fair Value</u>
U.S. Government bonds and notes	AA	\$ 1,904,228
U.S. Government Agency securities	AA	3,203,005
Corporate obligations	AAA - CCC	8,280,557
Asset-backed bonds	AAA - AA	1,636,824
Foreign bonds	A - BBB	26,228

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The Town's investment policy limits investments held by any single financial institution to a maximum of 50% of the total cost of the investment portfolio, excluding securities held under a third party safekeeping agreement. In the 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 \$26,228 of foreign currency denominated bonds.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

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

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, 2013, consist of the following:

	<u>Gross Accounts Receivable</u>	<u>Allowance For Doubtful Accounts</u>	<u>Net Receivable</u>
Governmental Funds			
General Fund - Taxes	\$ 294,892	\$ (294,892)	\$ -
General Fund - Accounts	1,130,078	(13,172)	1,116,906
General Fund - Intergovernmental	434,662	-	434,662
Community Redevelopment Fund - Other	600	-	600
Total Governmental Funds	<u>1,860,232</u>	<u>(308,064)</u>	<u>1,552,168</u>
Proprietary Funds			
Water System Fund - Utility accounts	1,467,284	(110,822)	1,356,462
Stormwater Fund - Utility accounts	<u>267,443</u>	<u>(12,847)</u>	<u>254,596</u>
Total Proprietary Funds	<u>1,734,727</u>	<u>(123,669)</u>	<u>1,611,058</u>
	<u>\$ 3,594,959</u>	<u>\$ (431,733)</u>	<u>\$ 3,163,226</u>

Noncurrent receivables and other receivables in the Proprietary Funds of \$5,773,422 and \$759,391, respectively have no allowance for doubtful accounts at September 30, 2013.

NOTE D - NOTES RECEIVABLE

The Town had the following notes receivable at September 30, 2013:

General Fund - Economic Development Loans	\$ 314,000
Community Redevelopment Fund - Land sale	141,287
Community Redevelopment Fund - NRCDD Loan	<u>675,214</u>
Total notes receivable	<u>\$ 1,130,501</u>

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE D - NOTES RECEIVABLE (Continued)

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. The loan balance of \$14,000 is recorded as a note receivable as of September 30, 2013. The Town also had a loan guarantee to the company of \$450,000 and has pledged certificates of deposit totaling \$450,000 for the loan guarantee.

The Town also had a loan guarantee to a private company of \$300,000 in which the company defaulted. The loan was collateralized by a pledged certificate of deposit which the bank applied to the loan. The Town has recorded the \$300,000 as a loan receivable in the General Fund and has not recorded any allowance at September 30, 2013. 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.

Northern Riverwalk Community Development District: In May 2011, the Community Redevelopment Fund (the "CRA") entered into an agreement with the Northern Riverwalk Community Development District (the "NRCDD") whereby the CRA agreed to loan the NRCDD \$3,677,606 to be used for engineering and construction of certain capital projects. The CRA had outstanding advances to the NRCDD of \$1,857,930 plus \$117,284 of accrued interest as of September 30, 2012. Repayments are due annually over a four year period, beginning May 1, 2012, with interest accruing monthly at a rate of 4.5% for the first year and increasing 1% for each of the remaining three years. The note is unsecured and matures on May 3, 2015, at which time all remaining principal and interest are due and payable in full. The note may be prepaid by the NRCDD.

In conjunction with the loan to NRCDD, the CRA applied for and was awarded a grant from the Florida Inland Navigation District ("FIND") to fund certain capital projects of the NRCDD. During 2012, the CRA received \$1,419,676 from the FIND grant and applied those funds to repayment of the note principal. The CRA also received a principal payment of \$400,000 from the NRCDD during 2012 and the NRCDD made payments of \$1,182,716 for principal and \$117,284 for accrued interest during 2013. The remaining principal balance owed by the NRCDD to the CRA at September 30, 2013, was \$675,214 plus accrued interest of \$96,710, which is due at maturity and is recorded as deferred revenue in the CRA Fund at September 30, 2013.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE E - CAPITAL ASSETS

The Town's capital asset activity for the year ended September 30, 2013, is summarized as follows:

Governmental Activities	Balance at Beginning of Year	Increases	Decreases	Balance at End of Year
Capital assets not being depreciated				
Land	\$ 42,323,473	\$ -	\$ (564,897)	\$ 41,758,576
Depreciable capital assets				
Buildings	22,149,854	144,681	-	22,294,535
Improvements	37,885,774	1,054,395	-	38,940,169
Machinery and equipment	12,033,892	975,173	(62,995)	12,946,070
Infrastructure	<u>23,091,633</u>	<u>3,730,749</u>	<u>-</u>	<u>26,822,382</u>
Total depreciable capital assets	95,161,153	5,904,998	(62,995)	101,003,156
Less accumulated depreciation				
Buildings	(12,741,900)	(495,168)	-	(13,237,068)
Improvements	(14,937,079)	(1,129,283)	-	(16,066,362)
Machinery and equipment	(9,369,167)	(920,798)	60,870	(10,229,095)
Infrastructure	<u>(11,539,489)</u>	<u>(1,404,868)</u>	<u>-</u>	<u>(12,944,357)</u>
Total accumulated depreciation	<u>(48,587,635)</u>	<u>(3,950,117)</u>	<u>60,870</u>	<u>(52,476,882)</u>
Depreciable capital assets, net of accumulated depreciation	<u>46,573,518</u>	<u>1,954,881</u>	<u>(2,125)</u>	<u>48,526,274</u>
Total capital assets, net	<u>\$ 88,896,991</u>	<u>\$ 1,954,881</u>	<u>\$ (567,022)</u>	<u>\$ 90,284,850</u>
 Business-type Activities				
Capital assets not being depreciated				
Land	\$ 569,123	\$ -	\$ -	\$ 569,123
Construction in progress	<u>3,195,047</u>	<u>874,433</u>	<u>(2,137,044)</u>	<u>1,932,436</u>
Total capital assets not being depreciated	3,764,170	874,833	(2,137,044)	2,501,559
Depreciable capital assets				
Buildings and plant	96,858,538	2,608,378	(71,380)	99,395,536
Improvements	196,200,155	2,818,854	-	199,019,009
Machinery and equipment	<u>27,421,811</u>	<u>1,657,717</u>	<u>(1,917,318)</u>	<u>27,162,210</u>
Total depreciable capital assets	320,480,504	7,084,949	(1,988,698)	324,946,755
Less accumulated depreciation				
Buildings and plant	(19,224,037)	(2,836,288)	23,976	(22,036,349)
Improvements	(76,688,962)	(2,522,605)	-	(79,211,567)
Machinery and equipment	<u>(21,513,196)</u>	<u>(590,358)</u>	<u>1,917,317</u>	<u>(20,186,237)</u>
Total accumulated depreciation	<u>(117,426,195)</u>	<u>(5,949,251)</u>	<u>1,941,293</u>	<u>(121,434,153)</u>
Depreciable capital assets, net of accumulated depreciation	<u>203,054,309</u>	<u>1,135,698</u>	<u>(47,405)</u>	<u>204,142,602</u>
Total capital assets, net	<u>\$ 206,818,479</u>	<u>\$ 2,010,131</u>	<u>\$ (2,184,449)</u>	<u>\$ 206,644,161</u>

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE E - CAPITAL ASSETS (Continued)

Depreciation expense charged to governmental activities for the year ended September 30, 2013 was as follows:

General government	\$	1,469,170
Public safety		284,547
Engineering and public works		1,336,768
Culture and recreation		<u>859,632</u>
Total Governmental Activities		
Depreciation Expense	\$	<u>3,950,117</u>

NOTE F - NONCURRENT LIABILITIES

Governmental Activities

Changes in governmental activities noncurrent liabilities for the year ended September 30, 2013, 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	\$ 6,360,000	\$ -	\$ (570,000)	\$ 5,790,000	\$ 600,000
Series 2005	12,285,000	-	(755,000)	11,530,000	780,000
Sales Tax Revenue Refunding					
Bonds/Note					
Series 2002	5,860,000	-	(620,000)	5,240,000	645,000
Series 2008	1,285,000	-	(135,000)	1,150,000	140,000
Compensated absences	<u>2,922,321</u>	<u>154,826</u>	<u>(148,876)</u>	<u>2,928,271</u>	<u>155,000</u>
Total long-term debt	28,712,321	<u>\$ 154,826</u>	<u>\$ (2,228,876)</u>	26,638,271	<u>\$ 2,320,000</u>
Current maturities	(2,252,000)			(2,320,000)	
Unamortized bond discount	<u>(91,283)</u>			<u>(84,123)</u>	
Net long-term debt	<u>\$ 26,369,038</u>			<u>\$ 24,234,148</u>	

The debt service for 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, 2013

NOTE F - 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
2014	\$ 600,000	\$ 313,800	\$ 913,800
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 - 2021	<u>2,465,000</u>	<u>275,825</u>	<u>2,740,825</u>
	<u>\$ 5,790,000</u>	<u>\$ 1,513,225</u>	<u>\$ 7,303,225</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
2014	\$ 780,000	\$ 451,046	\$ 1,231,046
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 - 2023	5,035,000	1,118,950	6,153,950
2024 - 2025	<u>2,315,000</u>	<u>148,478</u>	<u>2,463,478</u>
	<u>\$ 11,530,000</u>	<u>\$ 3,240,457</u>	<u>\$ 14,770,457</u>

Bond Ratings: Standards & Poor's Rating Services rates the Town's outstanding general obligation bonds as AAA. In September 2012, Moody's Investor Service upgraded its rating on the Town's outstanding general obligation bonds from Aa1 to Aaa.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE F - 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.

Interest rates range from 2.40% to 5.00% per annum. Principal and interest are payable March 1 and September 1 with a final maturity on September 1, 2020. The debt service requirements of the Sales Tax Revenue Refunding Bonds - Series 2002 are as follows:

Year Ending September 30	Principal	Interest	Total
2014	\$ 645,000	\$ 256,603	\$ 901,603
2015	675,000	226,288	901,288
2016	710,000	194,225	904,225
2017	745,000	160,500	905,500
2018	785,000	123,250	908,250
2019 - 2020	<u>1,680,000</u>	<u>127,000</u>	<u>1,807,000</u>
	<u>\$ 5,240,000</u>	<u>\$ 1,087,866</u>	<u>\$ 6,327,866</u>

Sales Tax Revenue Refunding Note - Series 2008: In October 2008, the Town issued a \$1,770,000 Sales Tax Revenue Refunding Note - Series 2008 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 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 Sales Tax Revenue Refunding Note - Series 2008 are as follows:

Year Ending September 30	Principal	Interest	Total
2014	\$ 140,000	\$ 41,630	\$ 181,630
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
2018 - 2020	<u>370,000</u>	<u>20,272</u>	<u>390,272</u>
	<u>\$ 1,150,000</u>	<u>\$ 174,665</u>	<u>\$ 1,324,665</u>

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE F - NONCURRENT LIABILITIES (Continued)

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 Note. The Sales Tax Revenue Refunding Bonds and Note are payable solely from the sales tax revenues received by the Town and are payable through 2020. Annual principal and interest payments on the Sales Tax Revenue Refunding Bonds and Note are expected to require less than 40 percent of sales tax revenues. Total principal and interest remaining to be paid on the Sales Tax Revenue Refunding Bonds and Note is \$7,652,531 at September 30, 2013. Principal and interest paid and sales tax revenues received for 2013 were \$1,088,094 and \$3,793,323, respectively.

Business-type Activities

Changes in business-type activities noncurrent liabilities for the year ended September 30, 2013, 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 2002	\$ 6,155,000	\$ -	\$ (6,155,000)	\$ -	\$ -
Series 2003	21,930,000	-	(21,930,000)	-	-
Series 2010	7,875,000	-	(685,000)	7,190,000	-
Series 2013	-	28,130,000	(1,560,000)	26,570,000	1,620,000
Stormwater loan	270,000	-	(54,000)	216,000	54,000
Compensated absences	<u>823,749</u>	<u>75,306</u>	<u>(73,936)</u>	<u>825,119</u>	<u>75,000</u>
Total long-term debt	37,053,749	<u>\$ 28,205,306</u>	<u>\$ (30,457,936)</u>	34,801,119	<u>\$ 1,749,000</u>
Unamortized discount/					
Premium, net	(173,798)			-	
Current maturities	<u>(114,000)</u>			<u>(1,749,000)</u>	
Net long-term debt	<u>\$ 36,915,354</u>			<u>\$ 33,052,119</u>	

Water Revenue Refunding Bonds - Series 2002: In February 2002, the Town issued \$13,920,000 Water Revenue Refunding Bonds - Series 2002 to refund the Water Revenue Refunding Bonds - Series 1992A. The proceeds of the Water Revenue Refunding Bonds - Series 2002 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 future debt service payments on the refunded bonds. At September 30, 2013, there were no defeased bonds still outstanding. The refunding resulted in an economic gain (the difference between the present value of the debt service payments of the refunding and refunded bonds) of \$1,608,683 and reduced the total debt service payments by \$1,805,484. The Series 2002 Bonds are payable from and secured by the pledged net revenues of the water system (as defined in the bond resolution) and connection charges. The Series 2002 Bonds were fully paid in August 2013 from proceeds of the Water Revenue Refunding Bonds, Series 2013.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE F - NONCURRENT LIABILITIES (Continued)

Water Revenue Bonds - Series 2003: In November 2003, the Town issued \$26,995,000 Water Revenue Bonds - Series 2003 to fund the cost of acquisition and construction of improvements and additions to the Town's Utility System. Interest rates range from 1.05% to 5.0% per annum. Principal and interest were payable October 1st with a final maturity date on October 1, 2033. The Series 2003 Bonds were payable from and collateralized by the proceeds from pledged net revenues of the water system (as defined in the bond resolution) and connection charges. The Series 2003 Bonds were fully paid in August 2013 from proceeds of the Water Revenue Refunding Bonds, Series 2013.

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:

Year Ending September 30	Principal	Interest	Total
2014 (*)	\$ -	\$ 230,288	\$ 230,288
2015	720,000	208,815	928,815
2016	760,000	186,674	946,674
2017	795,000	162,430	957,430
2018	835,000	137,518	972,518
2019 - 2023	3,375,000	355,341	3,730,341
2024	705,000	10,804	715,804
	<u>\$ 7,190,000</u>	<u>\$ 1,291,870</u>	<u>\$ 8,481,870</u>

(*) Payment was made in September 2013 for principal and interest due on October, 2013.

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.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE F - NONCURRENT LIABILITIES (Continued)

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 October 1, 2013, and each October 1st thereafter through maturity on October 1, 2029. The debt service requirements of the Water Revenue Refunding Bonds - Series 2013 are as follows:

Year Ending September 30	Principal	Interest	Total
2014 (*)	\$ -	\$ 280,314	\$ 280,314
2015	1,620,000	543,536	2,163,536
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 - 2023	8,492,000	1,607,050	10,099,050
2024 - 2028	8,135,500	747,104	8,882,604
2029 - 2030	3,002,500	60,330	3,062,830
	<u>\$ 26,570,000</u>	<u>\$ 4,652,561</u>	<u>\$ 31,222,561</u>

(*) Payment was made in September 2013 for principal and interest due on October, 2013.

Stormwater Loan: In January 1997, the Stormwater Utility obtained \$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 calculated at 74% of the one month LIBOR and is recalculated the first day of each month (0.135% at September 30, 2013). The Stormwater Loan is payable from and collateralized by the proceeds from 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
2014	\$ 54,000	\$ 289	\$ 54,289
2015	54,000	217	54,217
2016	54,000	144	54,144
2017	54,000	72	54,072
	<u>\$ 216,000</u>	<u>\$ 722</u>	<u>\$ 216,722</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 issued to finance improvements to the System. The water revenue bonds are payable solely from the net revenues of the System through 2030. Annual principal and interest payments on the bonds 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 is \$39,704,431 at September 30, 2013. Principal and

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE F - NONCURRENT LIABILITIES (Continued)

interest paid on the water revenue bonds for 2013 was \$29,825,286, which included \$28,085,000 to retire the Series 2002 and Series 2003 Bonds. Net revenues of the system for 2013 were \$11,073,540.

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 and is payable through 2017. Annual principal and interest payments on the loan are expected to require less than 5 percent of utility net revenues. Total principal and interest remaining to be paid on the stormwater utility loan is \$216,722 at September 30, 2013. Principal and interest paid and stormwater utility net revenues for 2013 were \$54,415 and \$840,624, respectively.

Defeased Bonds: At September 30, 2013, \$4,990,000 Sales Tax Revenue Bonds - Series 1992; \$5,620,000 Water Revenue Refunding Bonds - Series 1994; and, \$7,190,000 Water Revenue Refunding Bonds - Series 1998 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, 2013, the Town's Proprietary Funds incurred total interest charges of \$1,609,318 of which \$148,147 was capitalized.

Annual Maturities: The aggregate maturities for all long-term debt of the Town at September 30, 2013, are as follows:

Year Ending September 30	Principal	Interest	Total
2014	\$ 2,219,000	\$ 1,573,970	\$ 3,792,970
2015	4,654,000	1,721,463	6,375,463
2016	4,874,000	1,567,860	6,441,860
2017	5,089,000	1,402,127	6,491,127
2018	5,275,000	1,224,792	6,499,792
2019 - 2023	21,417,000	3,504,438	24,921,438
2024 - 2028	11,155,500	906,386	12,061,886
2029 - 2030	<u>3,002,500</u>	<u>60,330</u>	<u>3,062,830</u>
	<u>\$ 57,686,000</u>	<u>\$ 11,961,366</u>	<u>\$ 69,647,366</u>

NOTE G - RESTRICTED ASSETS

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

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE G - RESTRICTED ASSETS (Continued)

Restricted investments and the related liabilities and restricted net position of the governmental funds at September 30, 2013, are summarized as follows:

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	\$ 1,096,386	\$ -	\$ 1,096,386	\$ -
Special projects - Economic development	<u>1,240,000</u>	<u>-</u>	<u>-</u>	<u>1,240,000</u>
Total Governmental Funds	<u>\$ 2,336,386</u>	<u>\$ -</u>	<u>\$ 1,096,386</u>	<u>\$ 1,240,000</u>

Restricted cash and cash equivalents and the related liabilities and restricted net position of the enterprise funds at September 30, 2013 are summarized as follows:

Enterprise Funds	<u>Restricted 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 Accounts	\$ 1,965,619	\$ -	\$ -	\$ 1,965,619
Connection Fees Account	845,948	14,884	-	831,064
Construction Account	<u>5,246,163</u>	<u>27,387</u>	<u>5,218,776</u>	<u>-</u>
Total Enterprise Funds	<u>\$ 8,057,730</u>	<u>\$ 42,271</u>	<u>\$ 5,218,776</u>	<u>\$ 2,796,683</u>

NOTE H - INTERFUND TRANSACTIONS

Interfund receivables and payables at September 30, 2013 are summarized as follows:

Receivable Fund	Payable Fund	<u>Amount</u>
General Fund	Community Redevelopment Fund	\$ 6,837,333
Water System Fund	General Fund	<u>185,980</u>
		<u>\$ 7,023,313</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, 2013, is summarized as follows:

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE H - INTERFUND TRANSACTIONS (Continued)

Transfer To	Transfer From	<u>Amount</u>
General Fund	Community Redevelopment Fund	\$ 50,000
General Fund	Nonmajor Governmental Funds	2,707,030
Capital Improvements Fund	Water System Fund	26,705
Capital Improvements Fund	Stormwater Fund	1,667
Capital Improvements Fund	Building Fund	10,016
Capital Improvements Fund	Nonmajor Governmental Funds	533,877
Water System Fund	Capital Improvement Fund	337,340
Water System Fund	Stormwater Fund	89,325
Water System Fund	Building Fund	4,100
Nonmajor Governmental Funds	General Fund	<u>1,741</u>
		<u>\$ 3,760,060</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; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service funds as debt service payments become due; and, (3) use excess revenue collected in the debt service funds to finance various programs and projects accounted for in other funds in accordance with budgetary authorizations.

NOTE I - EMPLOYEE RETIREMENT PLANS

The Town of Jupiter administers one single-employer, defined benefit pension plan, the Municipal Police Officers' Retirement Trust, 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 Town employees, excluding sworn police officers.

Municipal Police Officers' Retirement Trust (MPORT)

Plan Description: The Municipal Police Officers' Retirement Trust (MPORT) is a single-employer, defined benefit pension plan. The plan is administered by the MPORT pension board. 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, 2012, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	43
Vested current employees	98
DROP participants	9
Terminated vested employees not receiving benefits	<u>3</u>
Total	<u>153</u>

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE I - EMPLOYEE RETIREMENT PLANS (Continued)

Benefits: The Fund provides retirement, death, and disability benefits for its members. 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. Tier One employees may retire with normal benefits after: (1) the earlier of 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: (1) the earlier of 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.

Deferred Retirement Option Plan (DROP): Tier One Members are eligible to enter the DROP at the Tier One Normal Retirement Date. Tier Two Members are eligible to enter the 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 the DROP. DROP participants are not eligible for death or disability benefits. The Supplemental Benefit is not payable while a Member is in the DROP.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE I - EMPLOYEE RETIREMENT PLANS (Continued)

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 the DROP after March 6, 2012, employee contributions continue at the rate in effect on the date of entry into the 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.

Basis of Accounting: The MPORT financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer and State of Florida contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Expenses are recognized in the period incurred. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Funding Policy: 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. 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. Contribution requirements by the State are established and may only be amended by State statute. Administrative costs of the MPORT are financed through investment earnings.

Investments: 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.

Annual Pension Cost and Net Pension Asset: The annual pension cost, net pension asset and required contribution for the year ended September 30, 2013, were determined as part of the actuarial valuation of the Plan as of October 1, 2012, using the entry age normal actuarial cost method. 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.

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE I - EMPLOYEE RETIREMENT PLANS (Continued)

The Town's annual pension cost and net pension obligation (asset) of the MPORT is based on the most recent actuarial valuation as of October 1, 2012 which was used to calculate the net pension asset for the fiscal year ended September 30, 2013 as follows:

Annual required contribution	\$ 2,082,682
Interest on net pension obligation	(21,560)
Amortization of net pension obligation	17,540
Annual pension cost	2,078,662
Contributions made	(2,082,682)
Increase in net pension obligation (asset)	(4,020)
Net pension obligation (asset), beginning of year	(287,473)
 Net pension obligation (asset), end of year	 \$ (291,493)

Total contributions by the Town to the Plan in 2013 amounted to \$2,473,921, which equaled the annual required contribution from the Town determined by the actuarial valuation at October 1, 2012. The total required contribution for 2013 was 35.3% of covered payroll at October 1, 2012 (\$7,683,583), of which the State contribution was 7.1% and the Town's contribution was 28.2% of actual covered payroll for 2013.

Actuarial Assumptions: Significant actuarial assumptions used in the actuarial valuation of the MPORT as of October 1, 2012, were used for funding the MPORT for the fiscal year ended September 30, 2013, and are summarized as follows:

Valuation date	October 1, 2012
Actuarial cost method	Entry Age Normal Method
Amortization method	Level Percent - Closed Amortization
Amortization period	24 years
Asset valuation method	5 year smoothed market value
Investment rate of return (includes inflation at 4.0%)	7.5%
Projected salary increases attributable to:	
Merit salary increases	5.00% - 12.27%
Inflation	4.0%
Cost of living adjustments	None

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, 2011	\$ 3,137,494	\$ 3,176,637	101.1%	\$ (248,330)
September 30, 2012	2,078,662	2,082,682	100.2	(287,473)
September 30, 2013	2,473,921	2,473,921	100.0	(291,493)

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE I - 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 Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
October 1, 2010	\$34,393,316	\$49,402,193	\$15,008,877	69.6%	\$ 8,105,374	185.2%
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

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.

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 (the "System") administered by the Florida Department of Management Services, Division of Retirement. The System is a cost-sharing, multiple employer, defined benefit public employee retirement system that provides retirement, death and disability benefits to plan members and beneficiaries. Pension benefits of the System are established by Florida Statutes, Chapter 121, and may be amended by the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Florida Department of Management Services, Division of Retirement, 1317 Winewood Boulevard, Building 8, Tallahassee, Florida 32399-1560, by calling the Division of Retirement at 1-850-488-6491, or on-line at http://www.dms.myflorida.com/human_resource_support/retirement.

Funding Policy: Plan members are required to contribute 3.0% to the System. The Town is required to contribute at an actuarially determined rate which is presently 5.18% of annual covered payroll for employees covered in the regular class, 8.53% for senior management class, and 5.44% for employees covered in the DROP program. The contribution requirement for plan members and participating governments are established by State statute. The Town's contributions to the System for the years ended September 30, 2013, 2012, and 2011, were \$858,035, \$701,733, and \$1,376,420, respectively, and were equal to the required contributions for each year.

NOTE J - 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

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE J – OTHER POSTEMPLOYMENT BENEFITS (Continued)

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”). In accordance with Statement 45, the Town set their net OPEB obligation at zero as of the beginning of its transition year ended September 30, 2009 and applied the measurement and recognition requirements of Statement 45 on a prospective basis.

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 an implicit rate subsidy into the actuarial accrued liability. Plan members receiving benefits contribute 100% of the monthly premium ranging from a minimum of \$519 to a maximum of \$1,433.

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, 2013 were based on an actuarial valuation as of September 30, 2013, and are summarized as follows:

Annual required contribution	\$	102,000
Interest on net OPEB obligation		15,000
Adjustment to annual required contribution		<u>(28,000)</u>
Annual OPEB cost		89,000
Employer contributions made		(56,000)
Interest on employer contributions		<u>(1,000)</u>
Increase in net OPEB obligation		32,000
Net OPEB obligation, beginning of year		<u>305,000</u>
 Net OPEB obligation, end of year	 \$	 <u><u>337,000</u></u>

The Town’s annual OPEB cost, employer contribution, the percentage of annual OPEB cost contributed, and the net OPEB obligation for 2013 and the prior two years are as follows:

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

<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, 2011	\$ 73,000	\$ 36,000	49.3%	\$ 269,000
September 30, 2012	72,000	36,000	50.0	305,000
September 30, 2013	89,000	57,000	64.0	337,000

Funded Status and Funding Progress

The Plan has no assets. A schedule of funding progress based on the actuarial results for 2013 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>
September 30, 2011	\$ -	\$ 1,135,000	\$ 1,135,000	0.0%	\$22,089,627	5.1%
September 30, 2012	-	518,000	518,000	0.0	22,120,527	2.3
September 30, 2013	-	653,000	653,000	0.0	21,989,304	3.0

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 September 30, 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 10.0% initially, reduced by decrements to an ultimate rate of 5.0% after ten 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

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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 K - FUND DEFICIT

The Community Redevelopment Fund had a deficit fund balance of \$3,830,602 at September 30, 2013. The majority of this amount represents a loan from the General Fund used to fund expenditures for property acquired in the CRA district. The loan will be paid from future tax increment revenues. In the event the future tax increment revenues are not sufficient, the Town plans to transfer funds from the General Fund to cover the deficit.

NOTE L - 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, 2013, the remaining commitments on all uncompleted contracts were \$427,790. The outstanding contract commitments at September 30, 2013, are summarized as follows:

	Contract Amount	Approved Payments	Retainage Payable	Remaining Contract Commitment
Community Redevelopment Fund	\$ 1,370,829	\$ 1,042,958	\$ 41,821	\$ 286,050
Water System Fund	564,460	380,448	42,272	141,740
	\$ 1,935,289	\$ 1,423,406	\$ 84,093	\$ 427,790

Cost Sharing Agreement: The Town entered into an Interlocal Agreement ("Agreement") with the City of Palm Beach Gardens, Florida, ("PBG") and the Town of Juno Beach, Florida, ("Juno") for the sharing of costs related to public safety dispatch services. The Agreement is for a five-year period commencing on October 1, 2011, through September 30, 2016. The Agreement automatically renews for an additional five year term unless one of the parties gives notice of termination. The Dispatch Services are performed by PBG employees who operate the dispatch center. Each contracting municipality's share of the costs of operating the dispatch center 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 total costs related to this Agreement were approximately \$1,510,000 for the year ended September 30, 2013.

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

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE L - COMMITMENTS AND CONTINGENCIES (Continued)

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, 2013, the Town had loan guarantees and pledged certificates of deposit totaling approximately \$1,240,000 to a financial institution as collateral for outstanding loans under the economic development program. The outstanding loan guarantees expire from January 2014 through February 2017, at which time the pledged certificates of deposit mature and the funds will be released to the Town.

Harbourside Development Project: The Harbourside Development Project ("Harbourside") is a new, Town Center project located on approximately 10 acres of waterfront property along the Intracoastal Waterway within the boundaries of the Town's Community Redevelopment Agency (CRA). Harbourside, as planned, includes a four-star hotel plus approximately 100,000 square feet of offices, restaurants, retail shops, a marina, spa, an amphitheater and a large parking garage. Harbourside is a quasi-public/private partnership between the Town and a private developer, Harbourside Place, LLC (the "Developer"). The total projected cost of the development of Harbourside is approximately \$144 million. The Developer, through a number of affiliated companies, currently owns the waterfront property and has obtained private financing to build Harbourside and upon completion, will manage the property. Construction of Harbourside began in 2012 and completion is expected in 2014.

With the Town's assistance, the Developer formed the Northern Riverwalk Community Development District (the "NRCDD"), an independent special district under Florida law, with the power to borrow money, issue bonds and levy non-ad valorem assessments for the financing and maintenance of capital infrastructure improvements. The Developer owns the majority of the land within the NRCDD and at September 30, 2013, four of the five members of the NRCDD governing body were affiliated with the Developer. Accordingly, the future operations of the NRCDD and the repayment of the note receivable owed to the Town by the NRCDD, are economically dependent on the Developer and the successful completion and operation of Harbourside.

The Town's CRA has also entered into an agreement with the Developer to provide a rebate of the tax increment funds received by the CRA in future years. The tax increment rebate to the Developer will be 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.

Debt Service Reserve Surety Bonds: The Town's Sales Tax Revenue Refunding Bonds - Series 2002 (the "Series 2002 Bonds"), require the Town to maintain a debt service reserve equivalent to the maximum principal and interest due on the Bonds in any year through maturity. The Series 2002 Bond resolution provides that the Town may purchase a credit facility for the debt service reserve requirement from an institution with the highest credit rating for municipal bonds insured or guaranteed by that institution.

The Town purchased surety bonds from Ambac Assurance Corporation (AMBAC) to satisfy the debt service reserve requirement for the Bonds at the date of issue. On November 8, 2010, AMBAC petitioned for bankruptcy and its credit ratings were withdrawn by Moody's Investor Service, Inc. (Moody's) and

TOWN OF JUPITER, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE L - COMMITMENTS AND CONTINGENCIES (Continued)

Standard and Poor's (S&P). AMBAC emerged from bankruptcy in May 2013, but neither Moody's nor S&P have reinstated an agreement to provide rating services. Town management, in consultation with bond counsel, has determined that the Town is not required to obtain surety bonds or provide cash and investments to replace the sureties on hand at September 30, 2013. The Series 2002 Bonds outstanding at September 30, 2013, have a credit rating no lower than the Town's underlying credit rating.

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.

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

NOTE M - SUBSEQUENT EVENTS

On November 21, 2013, the Town issued \$5,270,000 Sales Tax Revenue Refunding Note, Series 2013 (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:

<u>Year Ending</u> <u>September 30</u>	<u>Principal</u>
2014	\$ 731,528
2015	723,667
2016	736,459
2017	749,478
2018	762,727
2019 - 2020	<u>1,566,141</u>
	<u>\$ 5,270,000</u>

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF JUPITER, FLORIDA

BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND - GAAP BASIS

For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 23,005,628	\$ 23,005,628	\$ 23,292,644	\$ 287,016
Franchise fees	4,278,041	4,278,041	4,182,628	(95,413)
Licenses and permits	551,515	551,515	793,538	242,023
Intergovernmental revenue	2,468,040	2,472,027	2,262,296	(209,731)
Charges for services	5,221,953	5,290,198	5,232,918	(57,280)
Cost allocation	985,519	985,519	985,519	-
Fines and forfeitures	201,000	201,000	487,085	286,085
Investment earnings	275,567	275,567	456,500	180,933
Donations	-	5,000	12,516	7,516
Miscellaneous	127,500	172,670	234,872	62,202
Total Revenues	37,114,763	37,237,165	37,940,516	703,351
Other Financing Sources				
Insurance recoveries	-	30,728	66,312	35,584
Sale of capital assets	-	-	3,139	3,139
Designated fund balance	750,870	818,958	-	(818,958)
Transfers	2,202,660	2,540,000	2,757,030	217,030
Total Other Financing Sources	2,953,530	3,389,686	2,826,481	(563,205)
Total Revenues and Other Financing Sources	\$ 40,068,293	\$ 40,626,851	\$ 40,766,997	\$ 140,146

(Continued)

TOWN OF JUPITER, FLORIDA

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

For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT				
Town Council				
Personal services	\$ 14,649	\$ 14,649	\$ 13,714	\$ 935
Operating expenditures	152,765	152,765	126,122	26,643
Donations	25,000	25,000	19,500	5,500
	<u>192,414</u>	<u>192,414</u>	<u>159,336</u>	<u>33,078</u>
Town Manager				
Personal services	513,674	513,674	531,477	(17,803)
Operating expenditures	26,540	26,540	23,252	3,288
	<u>540,214</u>	<u>540,214</u>	<u>554,729</u>	<u>(14,515)</u>
Town Clerk				
Personal services	439,682	439,682	438,908	774
Operating expenditures	111,032	111,032	36,898	74,134
	<u>550,714</u>	<u>550,714</u>	<u>475,806</u>	<u>74,908</u>
Neighborhood				
Personal services	207,210	207,210	207,513	(303)
Operating expenditures	117,528	155,362	55,159	100,203
	<u>324,738</u>	<u>362,572</u>	<u>262,672</u>	<u>99,900</u>
External Affairs				
Personal services	336,029	336,029	308,399	27,630
Operating expenditures	131,204	148,871	84,245	64,626
	<u>467,233</u>	<u>484,900</u>	<u>392,644</u>	<u>92,256</u>
Finance				
Personal services	815,569	815,569	865,782	(50,213)
Operating expenditures	38,342	38,342	21,768	16,574
	<u>853,911</u>	<u>853,911</u>	<u>887,550</u>	<u>(33,639)</u>
Business Development				
Personal services	394,070	394,070	406,308	(12,238)
Operating expenditures	30,537	61,485	12,315	49,170
	<u>424,607</u>	<u>455,555</u>	<u>418,623</u>	<u>36,932</u>
Town Attorney				
Operating expenditures	350,320	350,320	354,990	(4,670)

(Continued)

TOWN OF JUPITER, FLORIDA

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

For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Information Systems				
Personal services	\$ 1,155,138	\$ 1,155,138	\$ 1,157,790	\$ (2,652)
Operating expenditures	741,645	763,846	828,097	(64,251)
Capital outlay	83,970	63,078	61,271	1,807
	<u>1,980,753</u>	<u>1,982,062</u>	<u>2,047,158</u>	<u>(65,096)</u>
Human Resources				
Personal services	598,556	643,890	475,179	168,711
Operating expenditures	179,350	179,350	90,227	89,123
	<u>777,906</u>	<u>823,240</u>	<u>565,406</u>	<u>257,834</u>
Planning and Zoning				
Personal services	1,149,866	1,149,866	1,115,304	34,562
Operating expenditures	36,650	46,680	29,179	17,501
	<u>1,186,516</u>	<u>1,196,546</u>	<u>1,144,483</u>	<u>52,063</u>
Other General Government				
Personal services	10,000	10,000	3,553	6,447
Operating expenditures	6,425,919	6,417,919	5,661,682	756,237
	<u>6,435,919</u>	<u>6,427,919</u>	<u>5,665,235</u>	<u>762,684</u>
Total General Government	<u>14,085,245</u>	<u>14,220,367</u>	<u>12,928,632</u>	<u>1,291,735</u>
PUBLIC SAFETY				
Code Compliance				
Personal services	472,904	472,904	441,068	31,836
Operating expenditures	71,676	71,676	64,125	7,551
	<u>544,580</u>	<u>544,580</u>	<u>505,193</u>	<u>39,387</u>

(Continued)

TOWN OF JUPITER, FLORIDA

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

For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
PUBLIC SAFETY				
Police				
Personal services	\$ 15,185,232	\$ 15,205,213	\$ 14,436,699	\$ 768,514
Operating expenditures	2,887,359	3,086,193	2,919,576	166,617
Capital outlay	-	134,129	13,859	120,270
Debt service	219,964	219,964	-	219,964
	<u>18,292,555</u>	<u>18,645,499</u>	<u>17,370,134</u>	<u>1,275,365</u>
Total Public Safety	<u>18,837,135</u>	<u>19,190,079</u>	<u>17,875,327</u>	<u>1,314,752</u>
ENGINEERING AND PUBLIC WORKS				
Engineering				
Personal services	1,038,732	1,033,932	1,029,870	4,062
Operating expenditures	45,750	50,550	49,186	1,364
	<u>1,084,482</u>	<u>1,084,482</u>	<u>1,079,056</u>	<u>5,426</u>
Public Works				
Personal services	2,517,776	2,512,776	2,413,690	99,086
Operating expenditures	1,473,838	1,468,836	1,438,587	30,249
Capital outlay	127,000	146,814	146,814	-
	<u>4,118,614</u>	<u>4,128,426</u>	<u>3,999,091</u>	<u>129,335</u>
Total Engineering and Public Works	<u>5,203,096</u>	<u>5,212,908</u>	<u>5,078,147</u>	<u>134,761</u>
CULTURE AND RECREATION				
Parks and Recreation				
Personal services	1,097,817	1,097,817	1,036,946	60,871
Operating expenditures	777,500	845,000	771,347	73,653
Capital outlay	67,500	60,680	60,679	1
Total Culture and Recreation	<u>1,942,817</u>	<u>2,003,497</u>	<u>1,868,972</u>	<u>134,525</u>
Total Expenditures	40,068,293	40,626,851	37,751,078	2,875,773
Other Financing Uses				
Transfers out	-	-	1,741	(1,741)
Total Expenditures and Other Financing Uses	<u>40,068,293</u>	<u>40,626,851</u>	<u>37,752,819</u>	<u>2,874,032</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,014,178</u>	<u>\$ 3,014,178</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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 647,001	\$ 647,001	\$ 627,324	\$ (19,677)
Intergovernmental	-	235,342	-	(235,342)
Charges for services	35,700	35,700	38,475	2,775
Investment earnings	5,000	5,000	117,409	112,409
Miscellaneous	-	-	261,782	261,782
Total Revenues	<u>687,701</u>	<u>923,043</u>	<u>1,044,990</u>	<u>121,947</u>
EXPENDITURES				
General government				
Personal services	181,230	181,230	178,406	2,824
Operating expenditures	174,488	180,926	160,787	20,139
Capital outlay	1,146,200	5,245,745	477,186	4,768,559
Interest and fiscal charges	172,767	172,767	340,284	(167,517)
Total Expenditures	<u>1,674,685</u>	<u>5,780,668</u>	<u>1,156,663</u>	<u>4,624,005</u>
Revenues Over (Under) Expenditures	(986,984)	(4,857,625)	(111,673)	4,745,952
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	423,610	423,610
Transfers out	(50,000)	(50,000)	(50,000)	-
Assigned fund balance	1,036,984	4,907,625	-	(4,907,625)
Total Other Financing Sources	<u>986,984</u>	<u>4,857,625</u>	<u>373,610</u>	<u>(4,484,015)</u>
Revenues Over (Under) Expenditures and Other Financing Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 261,937</u>	<u>\$ 261,937</u>

See notes to budgetary comparison schedules.

TOWN OF JUPITER, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULES

SEPTEMBER 30, 2013

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, 2013, supplemental budget appropriations of approximately \$558,558 for the General Fund and \$4,105,983 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, 2013, the Town had commitments related to unperformed contracts, which have been re-appropriated in the 2013-2014 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 \$10,235,000 Sales Tax Revenue Refunding Bonds, Series 2002 and \$1,770,000 Sales Tax Revenue Refunding Note, Series 2008.

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, 2013

	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	\$ 1,420,833	\$ 1,281,999	\$ 165,548	\$ -	\$ 3,339
Investments	734,374	171,815	19,569	-	-
Grants receivable	-	-	-	18,343	-
Total Assets	<u>\$ 2,155,207</u>	<u>\$ 1,453,814</u>	<u>\$ 185,117</u>	<u>\$ 18,343</u>	<u>\$ 3,339</u>
LIABILITY AND FUND BALANCES					
LIABILITY					
Accounts payable	\$ -	\$ -	\$ -	\$ 18,343	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,343</u>	<u>-</u>
FUND BALANCES					
Restricted for:					
Debt service	-	-	-	-	-
Capital projects	2,155,207	1,453,814	-	-	-
Law enforcement	-	-	185,117	-	3,339
Total Fund Balances	<u>2,155,207</u>	<u>1,453,814</u>	<u>185,117</u>	<u>-</u>	<u>3,339</u>
Total Liability and Fund Balances	<u>\$ 2,155,207</u>	<u>\$ 1,453,814</u>	<u>\$ 185,117</u>	<u>\$ 18,343</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	
\$ 63,179	\$ 3,956	\$ 956,121	\$ 116,151	\$ 4,011,126
1,622	728	100,204	184,224	1,212,536
-	-	-	-	18,343
<u>\$ 64,801</u>	<u>\$ 4,684</u>	<u>\$ 1,056,325</u>	<u>\$ 300,375</u>	<u>\$ 5,242,005</u>
\$ -	\$ -	\$ -	\$ -	\$ 18,343
-	-	-	-	18,343
-	-	1,056,325	300,375	1,356,700
-	4,684	-	-	3,613,705
64,801	-	-	-	253,257
<u>64,801</u>	<u>4,684</u>	<u>1,056,325</u>	<u>300,375</u>	<u>5,223,662</u>
<u>\$ 64,801</u>	<u>\$ 4,684</u>	<u>\$ 1,056,325</u>	<u>\$ 300,375</u>	<u>\$ 5,242,005</u>

TOWN OF JUPITER, FLORIDA

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

For the Year Ended September 30, 2013

	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	884,998	787,033	78,451	-	-
Intergovernmental	-	-	-	27,330	-
Investment earnings	4,695	1,787	209	-	3
Miscellaneous	-	-	-	-	-
Total Revenues	<u>889,693</u>	<u>788,820</u>	<u>78,660</u>	<u>27,330</u>	<u>3</u>
EXPENDITURES					
Current					
General government	-	4,655	-	-	-
Public safety	-	-	-	27,330	-
Debt service					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>4,655</u>	<u>-</u>	<u>27,330</u>	<u>-</u>
Revenues Over (Under) Expenditures	889,693	784,165	78,660	-	3
OTHER FINANCING USES					
SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	(200,000)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	889,693	584,165	78,660	-	3
Fund balances at beginning of year	<u>1,265,514</u>	<u>869,649</u>	<u>106,457</u>	<u>-</u>	<u>3,336</u>
Fund balances at end of year	<u>\$ 2,155,207</u>	<u>\$ 1,453,814</u>	<u>\$ 185,117</u>	<u>\$ -</u>	<u>\$ 3,339</u>

Special Revenue			Debt Service		Total Nonmajor Governmental Funds
ARRA Recovery Fund	Law Enforcement Fund	Maplewood Park Development Fund	Sales Tax Revenue Bond Debt Service Fund	Community Center Debt Service Fund	
\$ -	\$ -	\$ -	\$ -	\$ 2,149,469	\$ 2,149,469
-	-	-	-	-	1,750,482
-	-	-	3,793,323	-	3,820,653
-	286	8	1,802	1,975	10,765
-	40,972	50	-	-	41,022
-	41,258	58	3,795,125	2,151,444	7,772,391
-	-	-	-	-	4,655
-	67,993	-	-	-	95,323
-	-	-	755,000	1,325,000	2,080,000
-	-	-	333,094	821,598	1,154,692
-	67,993	-	1,088,094	2,146,598	3,334,670
-	(26,735)	58	2,707,031	4,846	4,437,721
1,741	-	-	-	-	1,741
-	(333,877)	-	(2,707,030)	-	(3,240,907)
1,741	(333,877)	-	(2,707,030)	-	(3,239,166)
1,741	(360,612)	58	1	4,846	1,198,555
(1,741)	425,413	4,626	1,056,324	295,529	4,025,107
\$ -	\$ 64,801	\$ 4,684	\$ 1,056,325	\$ 300,375	\$ 5,223,662

BUDGETARY COMPARISON SCHEDULES

TOWN OF JUPITER, FLORIDA

BUDGETARY COMPARISON SCHEDULE -
SALES TAX REVENUE BOND DEBT SERVICE FUND

For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,500,000	\$ 3,500,000	\$ 3,793,323	\$ 293,323
Investment earnings	7,000	7,000	1,802	(5,198)
Total Revenues	<u>3,507,000</u>	<u>3,507,000</u>	<u>3,795,125</u>	<u>288,125</u>
EXPENDITURES				
Principal retirement	755,000	755,000	755,000	-
Interest and fiscal charges	333,640	333,640	333,094	546
Contingency	18,360	18,360	-	18,360
Total Expenditures	<u>1,107,000</u>	<u>1,107,000</u>	<u>1,088,094</u>	<u>18,906</u>
Revenues Over Expenditures	2,400,000	2,400,000	2,707,031	307,031
OTHER FINANCING USES				
Transfers out	<u>(2,400,000)</u>	<u>(2,400,000)</u>	<u>(2,707,030)</u>	<u>(307,030)</u>
Revenues Over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

TOWN OF JUPITER, FLORIDA

BUDGETARY COMPARISON SCHEDULE -
COMMUNITY CENTER DEBT SERVICE FUND

For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,145,439	\$ 2,145,439	\$ 2,149,469	\$ 4,030
Investment earnings	<u>1,500</u>	<u>1,500</u>	<u>1,975</u>	<u>475</u>
Total Revenues	<u>2,146,939</u>	<u>2,146,939</u>	<u>2,151,444</u>	<u>4,505</u>
EXPENDITURES				
Principal retirement	1,325,000	1,325,000	1,325,000	-
Interest and fiscal charges	<u>821,939</u>	<u>821,939</u>	<u>821,598</u>	<u>341</u>
Total Expenditures	<u>2,146,939</u>	<u>2,146,939</u>	<u>2,146,598</u>	<u>341</u>
Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,846</u>	<u>\$ 4,846</u>

TOWN OF JUPITER, FLORIDA

BUDGETARY COMPARISON SCHEDULE -
CAPITAL IMPROVEMENTS FUND

For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,000,511	\$ 2,000,511	\$ 2,025,601	\$ 25,090
Intergovernmental	443,000	2,637,919	208,142	(2,429,777)
Fines and forfeitures	50,000	125,000	773,216	648,216
Investment earnings	-	-	88,158	88,158
Donations	-	250,000	-	(250,000)
Miscellaneous	1,015,000	1,088,775	48,491	(1,040,284)
Assigned fund balance	1,732,276	11,450,946	-	(11,450,946)
Total Revenues	5,240,787	17,553,151	3,143,608	(14,409,543)
EXPENDITURES				
General Government				
Town Council				
Aid to private organizations	-	50,000	-	50,000
Contingency	-	3,077,055	-	3,077,055
	-	3,127,055	-	3,127,055
Other General Government				
Operating expenditures	-	232,394	145,726	86,668
Capital outlay	1,543,885	5,689,583	366,332	5,323,251
	1,543,885	5,921,977	512,058	5,409,919
Engineering and Public Works				
Operating expenditures	900,000	1,561,474	1,035,072	526,402
Capital outlay	2,199,290	4,030,630	576,730	3,453,900
	3,099,290	5,592,104	1,611,802	3,980,302
Culture and Recreation				
Operating expenditures	390,000	631,648	541,674	89,974
Capital outlay	446,000	2,515,292	1,037,527	1,477,765
	836,000	3,146,940	1,579,201	1,567,739
Total Expenditures	5,479,175	17,788,076	3,703,061	14,085,015
Revenues Over (Under) Expenditures	(238,388)	(234,925)	(559,453)	(324,528)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	2,425,000	2,425,000
Transfers in	238,388	572,265	572,265	-
Transfers out	-	(337,340)	(337,340)	-
Total Other Financing Sources (Uses)	238,388	234,925	2,659,925	2,425,000
Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	\$ 2,100,472	\$ 2,100,472

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			
	2004	2005	2006	2007
Governmental activities				
Net investment in capital assets	\$ 25,725,406	\$ 27,854,571	\$ 38,331,204	\$ 42,966,091
Restricted	4,180,853	2,373,819	4,738,207	3,404,901
Unrestricted	14,234,521	19,780,034	16,640,910	27,659,125
Total governmental activities net position	\$ 44,140,780	\$ 50,008,424	\$ 59,710,321	\$ 74,030,117
Business-type activities				
Net investment in capital assets	\$ 42,223,229	\$ 42,415,220	\$ 44,293,482	\$ 108,162,340
Restricted	9,652,612	9,283,546	10,205,368	11,264,500
Unrestricted	43,686,923	50,360,148	57,064,251	56,702,705
Total business-type activities net position	\$ 95,562,764	\$ 102,058,914	\$ 111,563,101	\$ 176,129,545
Primary government				
Net investment in capital assets	\$ 67,948,635	\$ 70,269,791	\$ 82,624,686	\$ 151,128,431
Restricted	13,833,465	11,657,365	14,943,575	14,669,401
Unrestricted	57,921,444	70,140,182	73,705,161	84,361,830
Total primary government net position	\$ 139,703,544	\$ 152,067,338	\$ 171,273,422	\$ 250,159,662

TABLE 1

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 50,599,939	\$ 55,852,845	\$ 56,460,166	\$ 62,008,335	\$ 64,292,660	\$ 67,755,359
3,299,313	6,994,602	3,889,822	3,848,303	4,860,324	5,764,100
29,199,631	24,642,751	31,551,511	28,667,394	30,580,833	36,068,411
<u>\$ 83,098,883</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>
\$ 141,970,517	\$ 163,110,644	\$ 169,056,109	\$ 172,379,676	\$ 176,555,586	\$ 178,559,717
4,938,862	8,903,665	5,034,126	3,147,578	4,624,949	2,796,683
55,878,064	32,584,898	34,403,274	37,763,056	39,501,057	54,289,023
<u>\$ 202,787,443</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>
\$ 192,570,456	\$ 218,963,489	\$ 225,516,275	\$ 234,388,011	\$ 240,848,246	\$ 246,315,076
8,238,175	15,898,267	8,923,948	6,995,881	9,485,273	8,560,783
85,077,695	57,227,649	65,954,785	66,430,450	70,081,890	90,357,434
<u>\$ 285,886,326</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>

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

	Fiscal Year			
	2004	2005	2006	2007
Expenses				
Governmental activities:				
General government	\$ 11,237,293	\$ 18,946,778	\$ 13,584,322	\$ 13,408,122
Public safety	13,372,340	14,046,805	16,149,448	16,731,886
Engineering and public works	4,092,513	4,423,542	5,286,228	6,294,232
Culture and recreation	3,932,765	4,237,218	4,501,017	4,949,779
Interest on long-term debt	1,184,315	1,309,845	1,689,889	1,770,808
Total governmental activities expenses	<u>33,819,226</u>	<u>42,964,188</u>	<u>41,210,904</u>	<u>43,154,827</u>
Business-type activities:				
Water system	13,524,166	14,646,412	16,711,621	19,133,384
Stormwater	1,469,587	1,285,287	1,487,843	1,643,878
Building	3,279,871	3,745,764	4,226,029	4,141,495
Total business-type activities expenses	<u>18,273,624</u>	<u>19,677,463</u>	<u>22,425,493</u>	<u>24,918,757</u>
Total primary government expenses	<u>\$ 52,092,850</u>	<u>\$ 62,641,651</u>	<u>\$ 63,636,397</u>	<u>\$ 68,073,584</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,918,887	\$ 1,773,144	\$ 2,120,590	\$ 1,895,476
Public safety	505,473	415,958	287,212	328,739
Engineering and public works	1,715,772	1,907,105	1,814,437	2,421,885
Culture and recreation	668,866	849,193	928,904	1,092,519
Operating contributions and grants:				
General government	611,041	8,619,299	2,058,310	258,545
Public safety	400,924	513,506	1,675,355	929,931
Engineering and public works	919,493	-	-	483,282
Culture and recreation	-	-	250	1,750
Capital contributions and grants:				
General government	22,660	171,826	1,427,694	3,055,523
Public safety	127,851	104,259	80,307	25,594
Engineering and public works	900,540	880,619	1,281,634	1,101,957
Culture and recreation	824,502	1,084,124	506,773	2,246,989
Total governmental activities program revenues	<u>8,616,009</u>	<u>16,319,033</u>	<u>12,181,466</u>	<u>13,842,190</u>
Business-type activities:				
Charges for services:				
Water system	15,316,852	15,617,642	18,025,713	18,492,083
Stormwater	1,837,063	1,857,169	1,953,393	2,034,160
Building	3,261,620	4,051,018	3,353,980	2,394,234
Operating contributions and grants	-	119,592	1,000,820	708,493
Capital contributions and grants	3,648,684	3,855,217	5,338,511	8,887,147
Total business-type activities program revenues	<u>24,064,219</u>	<u>25,500,638</u>	<u>29,672,417</u>	<u>32,516,117</u>
Total primary government program revenues	<u>\$ 32,680,228</u>	<u>\$ 41,819,671</u>	<u>\$ 41,853,883</u>	<u>\$ 46,358,307</u>

TABLE 2

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 14,287,223	\$ 15,353,666	\$ 14,371,564	\$ 14,323,669	\$ 16,091,515	\$ 14,933,432
18,147,797	18,486,726	18,954,687	19,673,761	17,729,810	18,331,070
6,009,427	5,241,771	5,122,616	6,528,027	6,442,702	7,248,818
5,228,172	4,821,268	4,758,188	2,652,672	3,016,009	3,093,620
1,565,327	1,503,512	1,593,818	1,500,093	1,239,033	1,485,453
<u>45,237,946</u>	<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>
18,296,030	19,073,788	19,396,117	20,990,063	18,403,380	18,610,942
1,615,971	3,508,053	2,442,584	2,098,838	1,718,311	2,181,847
4,120,508	1,595,607	1,705,144	1,813,180	1,957,962	2,183,139
<u>24,032,509</u>	<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>\$ 69,270,455</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>
\$ 1,974,686	\$ 1,967,052	\$ 1,769,386	\$ 1,809,671	\$ 3,628,914	\$ 1,979,330
407,682	495,734	458,345	439,169	411,540	1,425,790
2,878,267	3,732,945	3,757,434	3,903,793	3,834,291	4,056,816
1,398,494	1,046,308	1,065,101	1,153,067	1,268,445	1,110,597
261,519	528,545	391,624	492,366	542,843	410,317
801,600	1,792,267	724,085	1,124,759	774,117	539,098
123,908	66,270	1,037,859	564,822	615,530	351,944
107,984	1,252	1,600	850	-	-
-	-	37,744	28,692	47,489	3,164,600
26,533	14,611	47,604	96,531	145,885	105,781
2,777,552	211,386	252,033	407,317	315,544	1,100,924
1,527,418	231,106	573,311	405,680	648,609	813,965
<u>12,285,643</u>	<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>
17,290,394	19,315,320	20,523,135	21,417,375	21,000,147	22,440,834
2,168,975	2,197,749	2,690,966	2,846,776	2,312,723	2,271,598
3,093,660	2,199,206	2,228,147	2,372,383	3,489,761	7,059,912
1,189,612	-	-	-	18,679	221,108
9,536,664	2,127,561	1,949,571	2,778,957	2,362,492	5,598,928
<u>33,279,305</u>	<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>\$ 45,564,948</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>

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

	Fiscal Year			
	2004	2005	2006	2007
Net (expense)/revenue				
Governmental activities	\$ (25,203,217)	\$ (26,645,155)	\$ (29,029,438)	\$ (29,312,637)
Business-type activities	5,790,595	5,823,175	7,246,924	7,597,360
Total primary government net expense	<u>\$ (19,412,622)</u>	<u>\$ (20,821,980)</u>	<u>\$ (21,782,514)</u>	<u>\$ (21,715,277)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes:				
Property taxes	\$ 13,744,278	\$ 16,073,394	\$ 19,992,043	\$ 23,511,088
Franchise fees	2,939,662	3,277,836	3,988,849	3,553,452
Public service taxes	2,646,147	3,022,429	3,244,311	4,029,560
Communications services taxes	2,684,471	2,760,079	2,868,015	2,978,156
Sales taxes	3,213,758	3,403,193	3,651,102	3,601,718
Gas taxes	947,193	1,041,816	1,129,143	1,086,857
Intergovernmental, unrestricted	1,266,461	1,469,757	587,889	1,237,424
Investment earnings	361,422	307,771	2,013,212	2,557,537
Other	-	-	-	42,047
Transfers	963,010	1,156,524	1,256,771	1,034,594
Total governmental activities	<u>28,766,402</u>	<u>32,512,799</u>	<u>38,731,335</u>	<u>43,632,433</u>
Business-type activities:				
Intergovernmental, unrestricted	-	-	-	-
Gain on sale of capital assets	-	-	-	-
Investment earnings	1,485,351	1,829,499	3,514,034	4,508,078
Transfers	(963,010)	(1,156,524)	(1,256,771)	(1,034,594)
Total business-type activities	<u>522,341</u>	<u>672,975</u>	<u>2,257,263</u>	<u>3,473,484</u>
Total primary government	<u>\$ 29,288,743</u>	<u>\$ 33,185,774</u>	<u>\$ 40,988,598</u>	<u>\$ 47,105,917</u>
Changes in Net Assets				
Governmental activities	\$ 3,563,185	\$ 5,867,644	\$ 9,701,897	\$ 14,319,796
Business-type activities	6,312,936	6,496,150	9,504,187	11,070,844
Total primary government	<u>\$ 9,876,121</u>	<u>\$ 12,363,794</u>	<u>\$ 19,206,084</u>	<u>\$ 25,390,640</u>

TABLE 2

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ (32,952,303)	\$ (35,319,467)	\$ (34,684,747)	\$ (34,251,505)	\$ (32,285,862)	\$ (30,033,231)
9,246,796	1,662,388	3,847,974	4,513,410	7,104,149	14,616,452
<u>\$ (23,705,507)</u>	<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>
\$ 22,831,835	\$ 22,750,485	\$ 21,458,933	\$ 19,904,132	\$ 19,919,566	\$ 20,150,640
4,776,445	4,715,332	4,479,142	4,348,334	4,273,931	4,182,628
3,182,084	3,337,851	3,612,409	3,678,961	3,751,163	3,967,109
3,055,157	3,697,912	3,246,760	3,070,359	3,051,291	2,830,528
3,482,757	3,077,029	3,064,115	3,224,952	3,596,953	3,793,323
1,039,154	990,923	986,051	1,073,744	1,133,849	1,146,761
1,155,681	991,315	1,023,881	1,077,577	1,157,751	1,329,434
1,153,427	31,685	706,744	429,981	469,158	652,258
-	-	-	27,610	41,102	2,284,727
1,344,529	118,250	518,013	38,388	100,883	(298,952)
<u>42,021,069</u>	<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>
-	71,747	-	-	-	-
-	-	-	-	7,192	-
1,948,718	195,879	564,341	321,779	380,824	215,677
<u>(1,344,529)</u>	<u>(118,250)</u>	<u>(518,013)</u>	<u>(38,388)</u>	<u>(100,883)</u>	<u>298,952</u>
<u>604,189</u>	<u>149,376</u>	<u>46,328</u>	<u>283,391</u>	<u>287,133</u>	<u>514,629</u>
<u>\$ 42,625,258</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>
\$ 9,068,766	\$ 4,391,315	\$ 4,411,301	\$ 2,622,533	\$ 5,209,785	\$ 10,005,225
9,850,985	1,811,764	3,894,302	4,796,801	7,391,282	15,131,081
<u>\$ 18,919,751</u>	<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>

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
2004	\$ 13,744,278	\$ 2,939,662	\$ 2,646,147	\$ 2,684,471	\$ 3,213,758	\$ 947,193	\$ 26,175,509
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

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

	Fiscal Year			
	2004	2005	2006	2007
General Fund				
Reserved	\$ 121,816	\$ 2,970,011	\$ 3,189,594	\$ 3,309,636
Unreserved				
Designated for subsequent year's budget	-	-	-	-
Undesignated	8,186,685	7,194,624	5,348,814	10,221,918
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	\$ 8,308,501	\$ 10,164,635	\$ 8,538,408	\$ 13,531,554
All other governmental funds				
Reserved	\$ 891,338	\$ 12,080,484	\$ 10,636,873	\$ 16,215,408
Unreserved				
Designated for subsequent year's budget	5,129,888	5,467,999	5,049,860	917,547
Undesignated (deficit), reported in:				
Special revenue funds	(862,947)	(619,040)	2,923,176	(867,202)
Capital projects fund	1,876,123	3,223,098	-	9,467,459
Debt service funds	3,043,631	3,499,130	4,761,992	92,653
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	\$ 10,078,033	\$ 23,651,671	\$ 23,371,901	\$ 25,825,865

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

TABLE 4

Fiscal Year						
2008	2009	2010	2011	2012	2013	
\$ 3,081,360	\$ 4,305,920	\$ 8,544,901	\$ -	\$ -	\$ -	
-	-	1,071,105	-	-	-	
13,283,983	14,617,020	14,582,473	-	-	-	
-	-	-	74,900	55,682	55,551	
-	-	-	96,754	74,758	106,594	
-	-	-	5,817,246	7,210,178	6,837,333	
-	-	-	350,000	4,795	14,000	
-	-	-	95,760	102,862	396,824	
-	-	-	1,685,000	1,825,000	1,240,000	
-	-	-	389,963	437,249	437,249	
-	-	-	-	350,000	350,000	
-	-	-	15,189,275	16,197,279	19,834,430	
<u>\$ 16,365,343</u>	<u>\$ 18,922,940</u>	<u>\$ 24,198,479</u>	<u>\$ 23,698,898</u>	<u>\$ 26,257,803</u>	<u>\$ 29,271,981</u>	
\$ 7,955,537	\$ 7,062,834	\$ 7,928,057	\$ -	\$ -	\$ -	
353,350	114,576	-	-	-	-	
(101,569)	(179,513)	(3,968,849)	-	-	-	
11,361,738	13,273,299	15,044,109	-	-	-	
96,172	415,208	498,007	-	-	-	
-	-	-	295	25,000	-	
-	-	-	1,257,125	1,857,930	816,501	
-	-	-	1,016,875	1,351,853	1,356,700	
-	-	-	1,674,514	2,139,789	3,613,705	
-	-	-	463,404	535,206	253,257	
-	-	-	4,607	-	-	
-	-	-	13,876,916	13,182,091	15,282,563	
-	-	-	(5,514,686)	(5,977,210)	(4,647,103)	
<u>\$ 19,665,228</u>	<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>	

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

	Fiscal Year			
	2004	2005	2006	2007
Revenues				
Taxes	\$ 20,022,089	\$ 22,897,718	\$ 27,233,512	\$ 31,605,661
Franchise fees	2,939,662	3,277,836	3,988,849	3,553,452
Licenses and permits	1,768,177	2,235,488	2,013,526	1,150,111
Intergovernmental	6,495,099	13,690,998	8,706,371	8,966,522
Charges for services	3,730,931	3,954,719	4,221,509	4,870,921
Fines and forfeitures	493,517	397,795	257,664	279,881
Investment earnings	361,422	307,771	2,013,212	2,557,537
Special assessments	2,066	2,560	1,800	-
Donations	420,734	50,226	739,888	30,339
Miscellaneous	185,704	860,197	479,699	1,326,190
Total revenues	<u>36,419,401</u>	<u>47,675,308</u>	<u>49,656,030</u>	<u>54,340,614</u>
Expenditures				
General government	10,441,817	18,018,587	12,697,680	12,432,411
Public safety	13,247,849	13,749,592	15,719,488	16,314,103
Engineering and public works	3,424,110	3,687,092	4,513,451	5,453,774
Culture and recreation	2,998,344	3,254,441	3,545,490	3,906,004
Capital outlay	4,569,866	8,766,383	13,141,268	5,878,760
Debt service				
Principal	1,170,000	4,930,000	2,354,757	2,294,690
Interest	1,190,662	1,165,640	1,675,079	1,765,224
Bond issue costs	-	237,132	-	-
Total expenditures	<u>37,042,648</u>	<u>53,808,867</u>	<u>53,647,213</u>	<u>48,044,966</u>
Excess of revenues over (under) expenditures	(623,247)	(6,133,559)	(3,991,183)	6,295,648
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	-
Issuance of notes payable	-	3,550,000	-	-
Proceeds from sale of assets	-	-	-	59,500
Insurance recoveries	-	-	-	57,368
Transfers in	6,265,873	6,461,055	8,470,447	13,752,663
Transfers out	(5,302,863)	(5,304,531)	(7,213,676)	(12,718,069)
Total other financing sources	<u>963,010</u>	<u>21,563,331</u>	<u>2,085,186</u>	<u>1,151,462</u>
Net change in fund balances	<u>\$ 339,763</u>	<u>\$ 15,429,772</u>	<u>\$ (1,905,997)</u>	<u>\$ 7,447,110</u>
Debt service as a percentage of non-capital expenditures	<u>7.27%</u>	<u>14.06%</u>	<u>9.95%</u>	<u>9.63%</u>

TABLE 5

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 30,108,230	\$ 30,777,171	\$ 29,304,153	\$ 27,727,196	\$ 27,855,869	\$ 28,095,038
4,776,445	4,715,332	4,479,142	4,348,334	4,273,931	4,182,628
1,074,540	789,633	1,094,680	1,134,195	1,239,148	2,544,020
8,750,671	6,106,837	5,456,965	5,661,131	8,198,174	6,291,091
5,564,771	6,041,646	6,055,850	6,240,082	6,225,043	6,256,912
351,550	377,895	327,460	269,358	244,539	1,260,301
1,153,427	31,685	706,744	429,981	351,874	672,832
-	-	-	-	-	-
3,979	2,875	17,539	18,232	52,539	12,516
2,178,570	1,825,569	1,214,337	1,383,327	981,045	586,167
<u>53,962,183</u>	<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>
13,265,444	14,206,005	13,164,978	13,288,516	14,747,654	13,356,935
17,609,602	17,917,896	18,440,710	19,420,913	17,338,508	17,956,791
5,007,263	4,239,970	4,070,093	5,311,159	5,094,941	5,966,405
4,165,230	3,740,508	3,677,947	2,064,406	2,091,646	2,349,967
15,422,757	3,585,235	2,076,830	10,912,494	4,196,777	2,740,398
2,033,147	2,041,092	2,111,705	2,037,128	2,023,714	2,080,000
1,557,935	1,498,777	1,587,626	1,494,706	1,234,683	1,494,976
-	-	-	-	-	-
<u>59,061,378</u>	<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>
(5,099,195)	3,439,160	3,526,981	(7,317,486)	2,694,239	3,956,033
-	1,770,000	-	-	-	-
-	-	-	-	-	-
-	(1,760,000)	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
427,818	-	-	-	-	-
-	-	-	-	-	-
-	-	8,174	34,323	51,969	2,851,749
-	11,364	37,291	22,920	47,423	66,312
5,418,470	3,612,125	7,110,943	3,641,924	2,707,113	3,331,036
(4,073,941)	(3,493,875)	(6,592,930)	(3,603,536)	(2,606,230)	(3,629,988)
<u>1,772,347</u>	<u>139,614</u>	<u>563,478</u>	<u>95,631</u>	<u>200,275</u>	<u>2,619,109</u>
<u>\$ (3,326,848)</u>	<u>\$ 3,578,774</u>	<u>\$ 4,090,459</u>	<u>\$ (7,221,855)</u>	<u>\$ 2,894,514</u>	<u>\$ 6,575,142</u>
<u>8.23%</u>	<u>8.11%</u>	<u>8.59%</u>	<u>8.10%</u>	<u>7.66%</u>	<u>8.27%</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
2004	\$ 13,744,278	\$ 2,646,147	\$ 2,684,471	\$ 947,193	\$ 20,022,089	\$ 2,939,662	\$ 22,961,751
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

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

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

Fiscal Year	Taxes and Franchise Fees	Licenses and Permits	Intergovernmental	Charges for Services	Fines and Forfeitures	Investment Earnings
2004	\$ 22,961,751	\$ 1,768,177	\$ 6,495,099	\$ 3,730,931	\$ 493,517	\$ 361,422
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

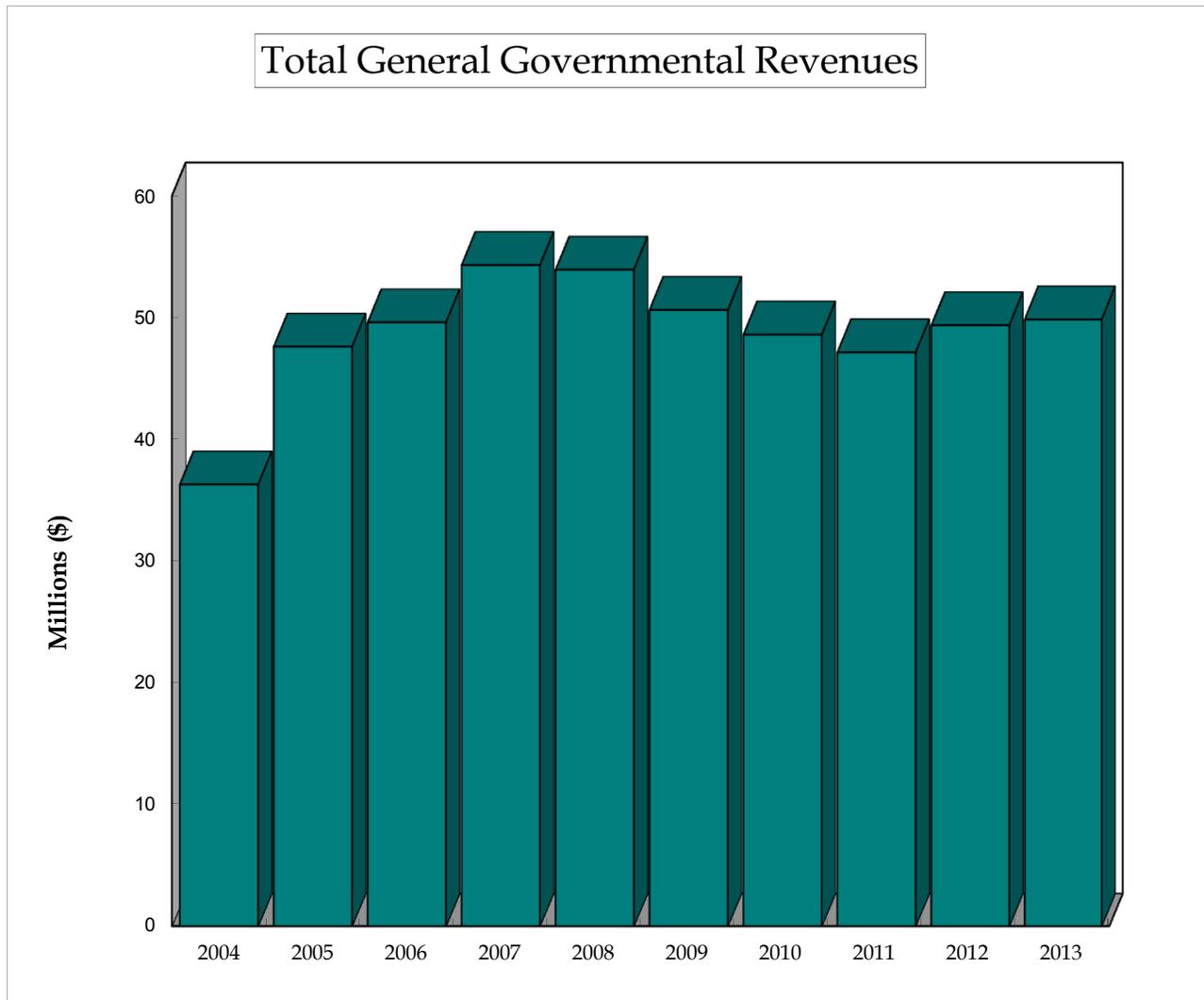


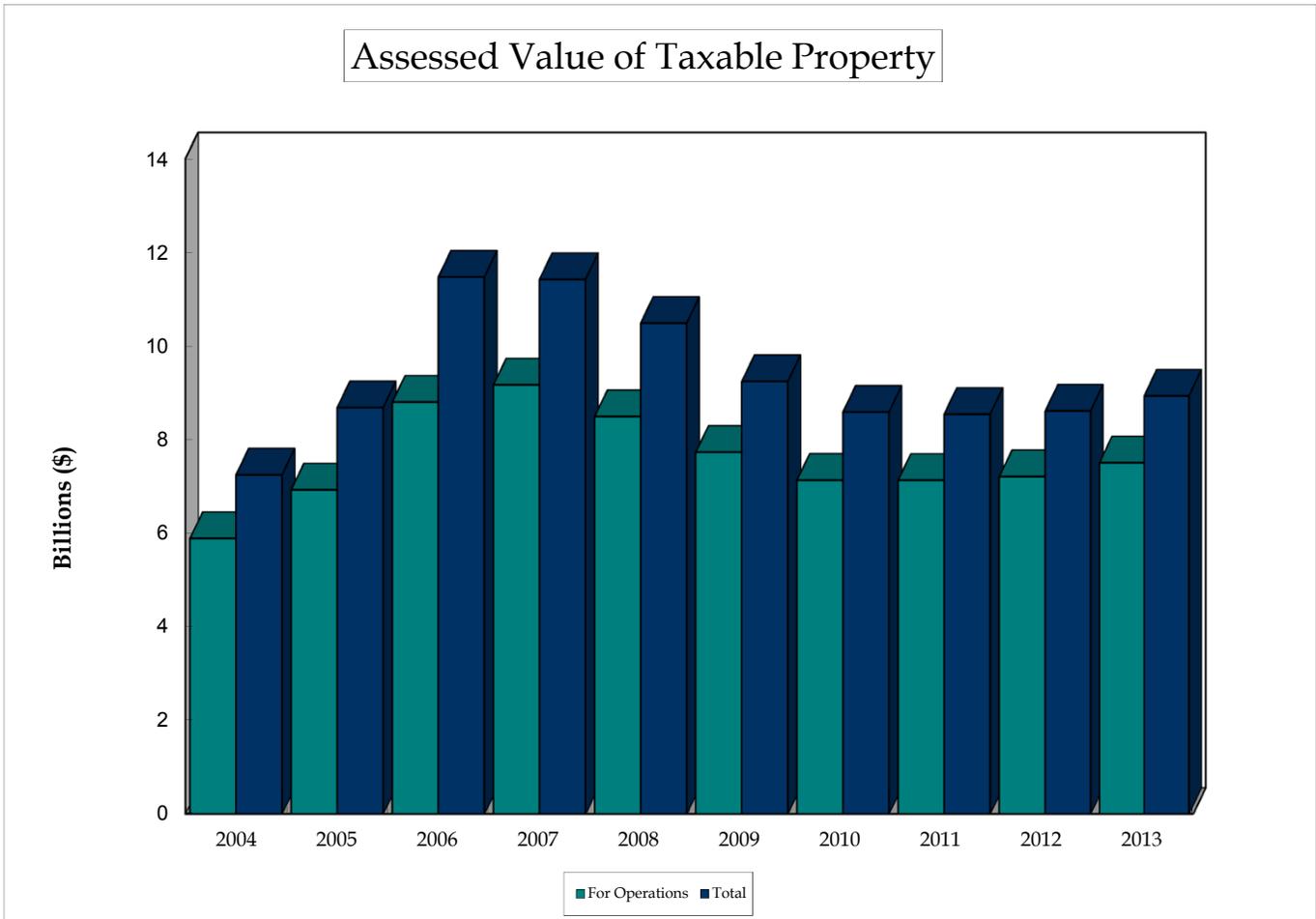
TABLE 7

<u>Special Assessments</u>	<u>Miscellaneous</u>	<u>Total</u>
\$ 2,066	\$ 606,438	\$ 36,419,401
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

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)
2004	\$ 7,037,445,167	\$ 230,637,184	\$ 1,004,944	\$ 1,352,147,466	\$ 5,916,939,829	2.8109	\$ 7,269,087,295
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



(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
2004	2.6195	0.1914	2.8109	4.5000	0.2910	4.7910
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

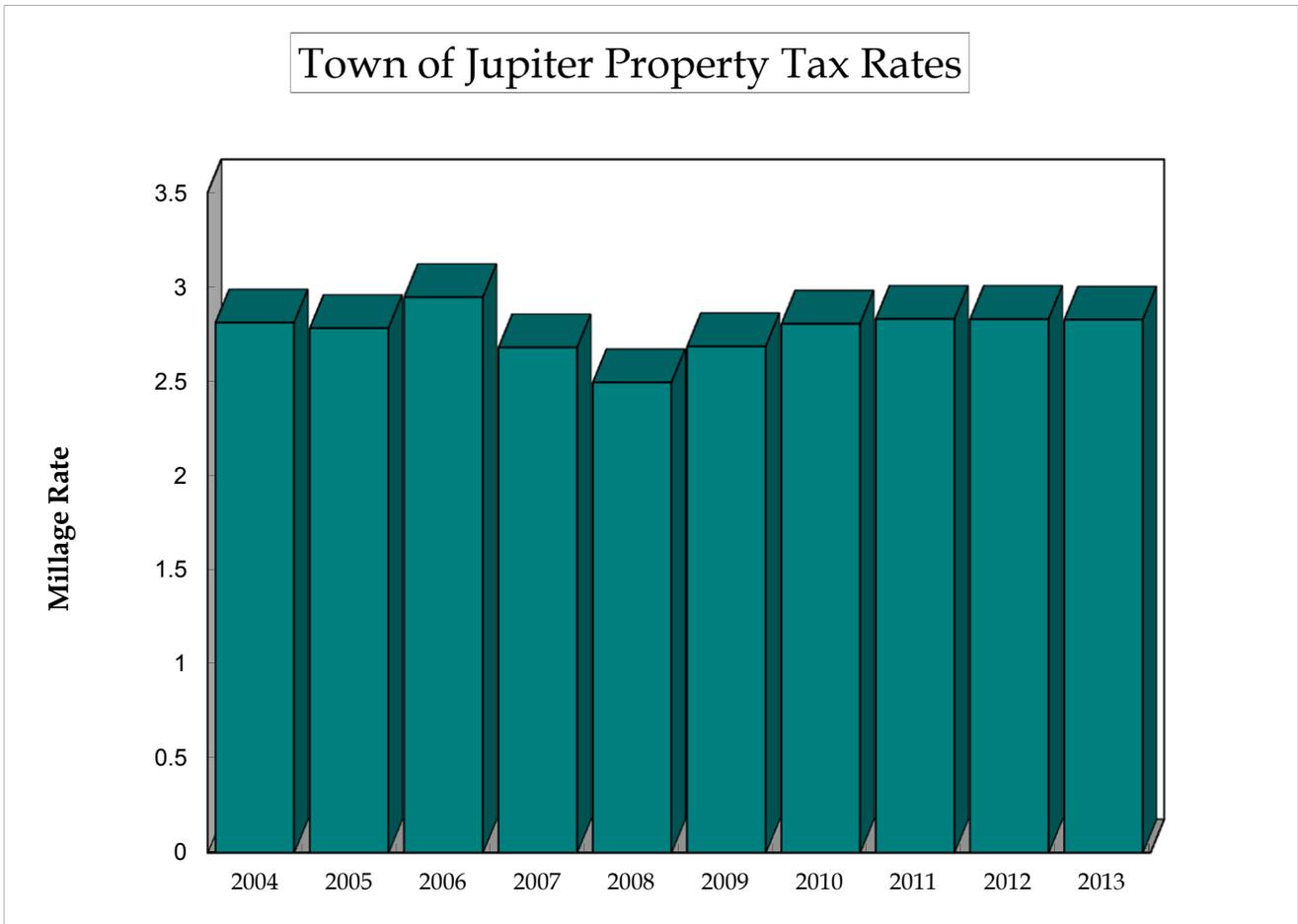
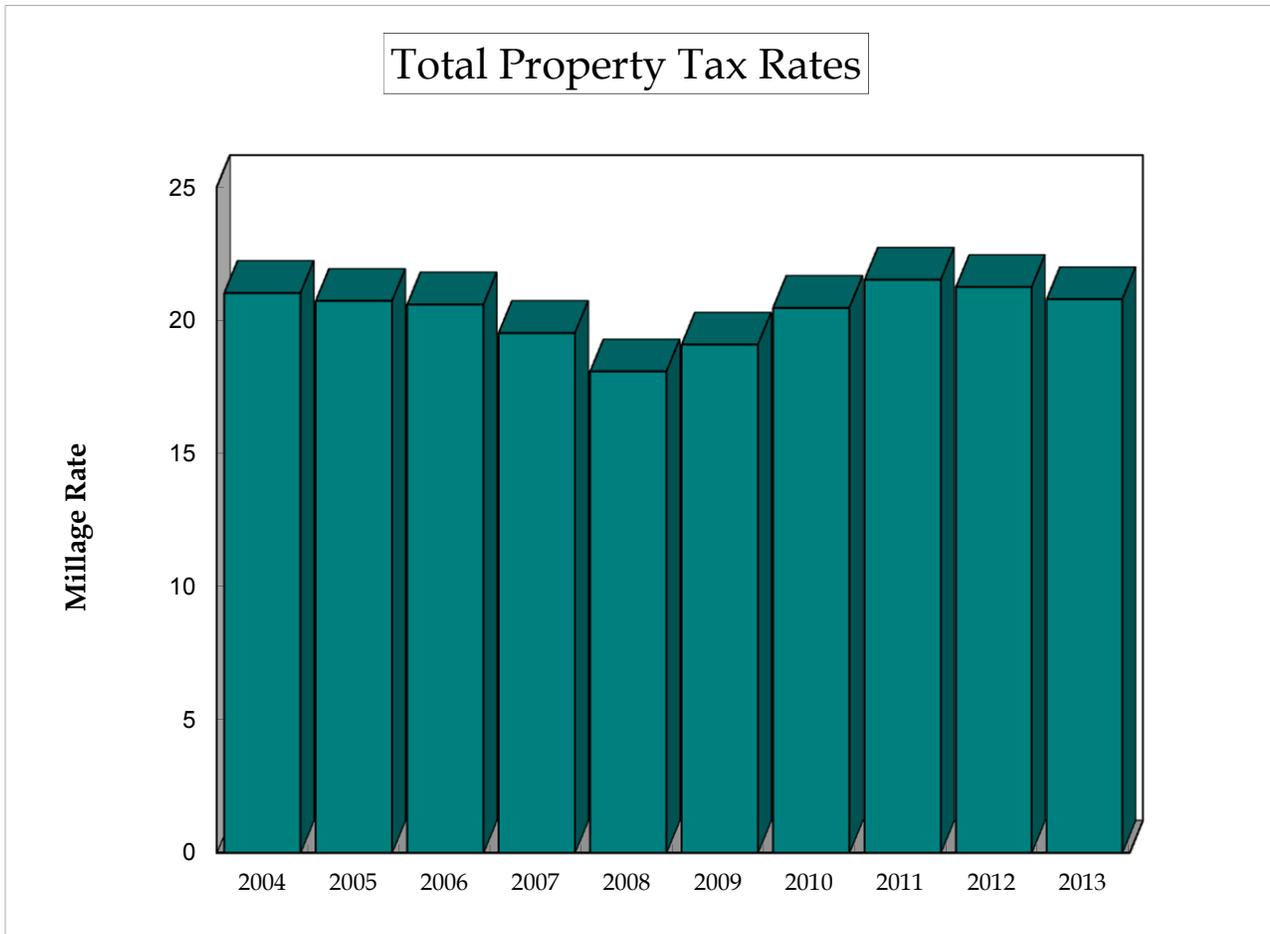


TABLE 9

Overlapping Property Tax Rates -				
Palm Beach County School District			Palm Beach	
Operating Millage	Debt Service	Total School Millage	County Special Districts	Total
8.251	0.320	8.571	4.8558	21.0287
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



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

	2013		
	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Assessed Value for Operations</u>
Florida Power & Light Co	\$ 100,391,833	1	1.33%
TGM Abacoa LLC	45,003,612	2	0.60%
TGM Floresta LLC	40,772,007	3	0.54%
RBF LLC	23,272,000	4	0.31%
Allegro at Abacoa LLC	20,644,677	5	0.27%
Club at Admirals Cove Inc.	20,520,426	6	0.27%
Regency Centers LP	19,986,293	7	0.27%
Jupiter CC LLC	19,068,078	8	0.25%
JPMCC 2006 LDP7 Retail 201 LLC	19,000,000	9	0.25%
Divosta Homes LP	11,372,778	10	0.15%
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>\$ 320,031,704</u>		<u>4.24%</u>

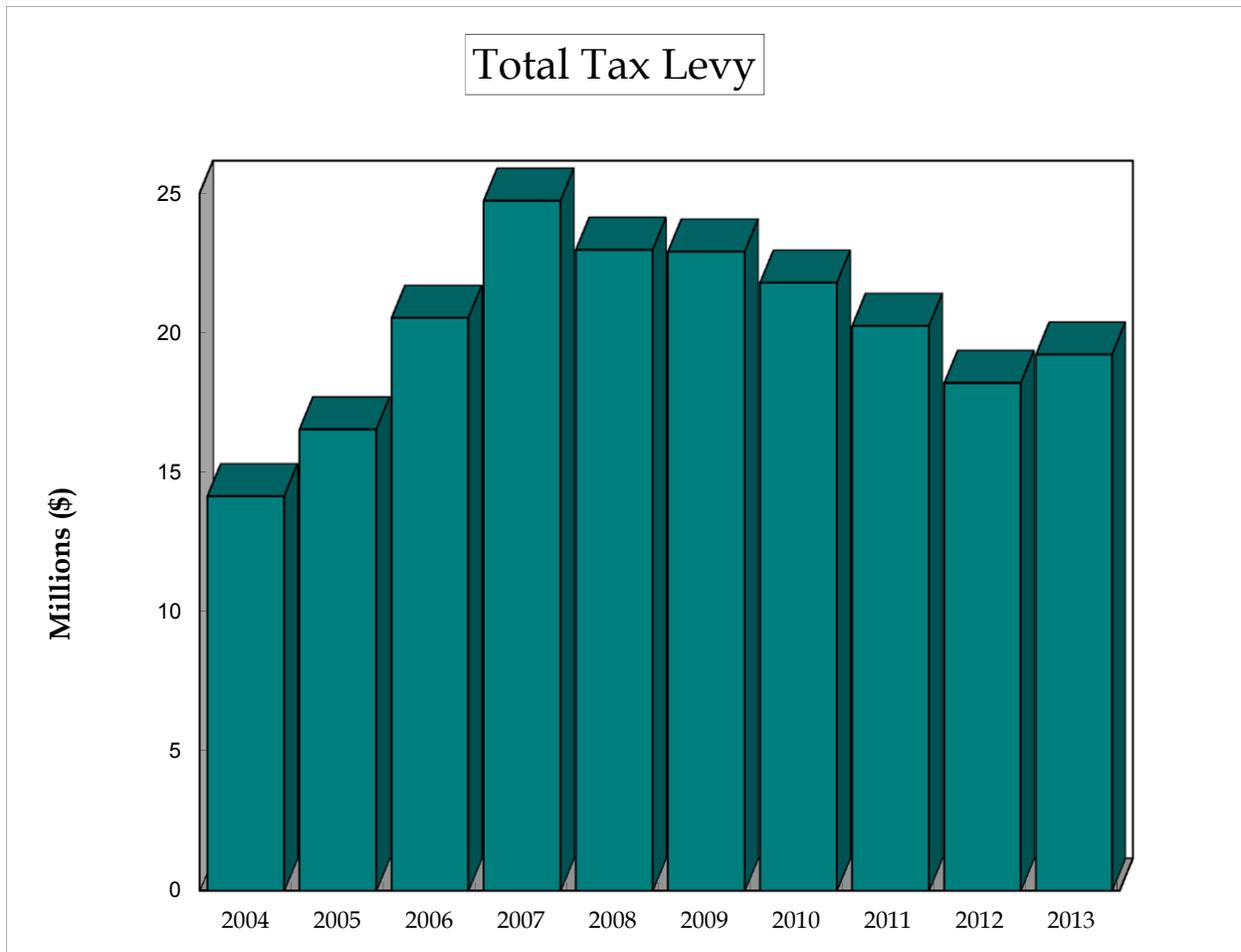
Source: Palm Beach County Property Appraiser.

TABLE 10

2004		
<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

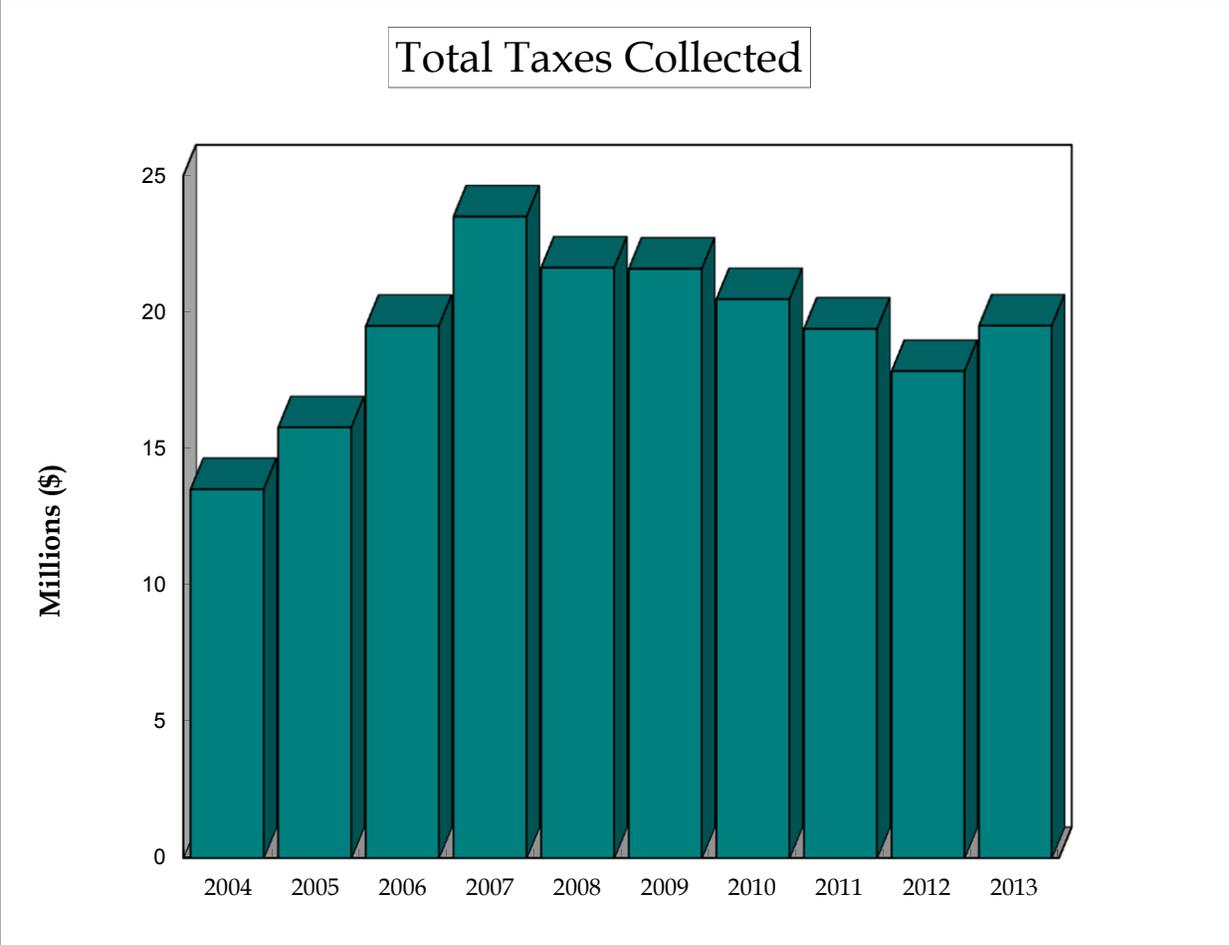
Fiscal Year	Total Tax Levy	Amount of Current Taxes Collected (1)	Percent of Total Tax Levy Collected	Amount of Delinquent Taxes Collected	Total Collected for the Year
2004	\$ 14,138,163	\$ 13,539,520	95.8 %	\$ 8,126	\$ 13,547,646
2005	16,532,894	15,754,677	95.3	52,165	15,806,842
2006	20,530,232	19,499,489	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	367,491	19,523,315



(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>
95.8 %	\$ 211,630	1.5 %
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
101.6	294,892	1.5



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	%					
2004	\$ 10,165	0.14	%	220.63	\$ 12,150	\$ 1,485	\$ -	\$ -
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		353.59	7,865	-	-	29
2012	18,345	0.21		325.63	6,089	-	-	-
2013	17,020	0.19		302.11	5,334	-	-	-

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

Business-type Activities				Primary Government			
Total Governmental Activities	Water Revenue Bonds	Stormwater Loan	Total Business- type Activities	Total Primary Government	Percentage of Total Taxable Value ⁽¹⁾ of Property	Percentage of Personal Income ⁽²⁾	Per Capita ⁽²⁾
\$ 23,800	\$ 51,145	\$ 702	\$ 51,847	\$ 75,647	1.04 %	126.82 %	\$ 1,641.93
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	N/A	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
24,438	35,960	270	36,230	60,668	0.70	N/A	1,076.88
22,354	33,760	216	33,976	56,330	0.63	N/A	999.88

TOWN OF JUPITER, FLORIDA
Direct and Overlapping Governmental Activities Debt
As of September 30, 2013

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	\$ 23,710,000	100.00%	\$ 23,710,000
Overlapping Debt:			
Debt repaid with property taxes			
Palm Beach County	187,210,000	6.87%	12,861,327
Other debt			
Palm Beach County ⁽²⁾	761,349,591	6.87%	52,304,717
Palm Beach County School Board ⁽³⁾	1,797,703,634	6.87%	123,502,240
Total Overlapping Debt			188,668,284
Total Direct and Overlapping Debt			\$ 212,378,284
Estimated Population			56,577
Total Direct and Overlapping Debt per Capita			\$ 3,753.79

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

⁽²⁾ Includes Non Ad Valorem Revenue Bonds (\$736,861,034) and Other Notes and Loans (\$24,488,557).

⁽³⁾ Includes Capital Outlay Bonds (\$26,370,000) and Certificates of Participation (\$1,771,333,634).

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	
2004	\$ 5,916,940	\$ 1,352,147	\$ 7,269,087	\$ 1,090,363	\$ 10,165	\$ 1,080,198	0.93
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	8,631,384	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

⁽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⁾
2004	\$ 3,213,758	\$ 893,819	3.60	\$ 2,939,662	\$ 554,709	5.30
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	6.46
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	-	-

⁽¹⁾ Revenue excludes change in fair value of investments.

⁽²⁾ Expense excludes 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⁾	
\$ 16,854,983	\$ 8,466,278	\$ 8,388,705	\$ 3,363,290	2.49	
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	
21,231,416	11,414,457	9,816,959	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	

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⁾
2004	46,072	\$ 59,651	\$ 44,518	5.5%	9,530
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

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	2013 ⁽¹⁾			2004 ⁽¹⁾		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Town Manager	5	5	5	3	3	3.5	3.5	3.5	3.5	3.5
Town Clerk	8	8	8	7	7	6.25	6	6	5	5
Finance	12	12	11	11	11	10	9	9	9.5	8.25
Human Resources	6	6	7	7	7	6.5	6.5	6	5.5	5.75
Information Systems	12	13	14	15	15	14	13	13	13	12
Neighborhoods	-	-	2	2.5	3	2.75	2.75	3.25	2.75	2.75
External Affairs	-	-	4	3.5	3.5	2.5	2.5	2.5	2.5	4
Special Projects	-	-	-	-	2.5	2	2	-	-	-
Public Safety										
Police Officers	104	106	108	110	110	110	110	110	110	109
Civilian Police	52	34	36	37	37	35	33.25	34	18	19
Engineering/Public Works										
Engineering	12	12	12	12.5	12	11	11	10	10	10
Public Works	26	27	27	27.5	27.5	25.5	24	21	21	21
Parks maintenance	-	-	-	-	-	-	-	15	15	15
Culture and Recreation										
Parks and Recreation	37	37	38	40	35.5	35	34.5	17.75	17.75	16.75
Water System										
Plant	26	26	26	26	26	25	25	27	28	28
Field	17	13	13	14	14	13	13	14	11	15
Administration	16	22	23	24	24	25	22	20	18	16
Building Department										
Building	43	44	48	41	38	34	25	24	21.5	23
Planning	12	13	13	16.5	17	15.25	14.25	13.25	13.25	13
Business Registration	-	-	-	2	3	3	2	2	2	2.5
Code Enforcement	6	7	8	8	8	7	7	7	7	7
Community Development	9	9	-	-	-	-	-	-	-	-
Stormwater System										
Field	4	4	4	5	4	3	3	5	4	4
Administration	4	4	4	5	3	3	3	2	4	4
Total	411	402	411	418	411.0	392	372	365	342.25	344.50

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

TABLE 19

Function	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police										
Physical arrests	1,390	1,608	1,747	2,265	1,793	1,403	1,197	1,146	1,102	1,184
Parking violations	1,318	1,208	1,054	1,475	1,588	1,288	1,114	1,347	1,655	1,299
Traffic violations	16,391	18,850	13,357	16,283	19,807	20,525	17,390	12,976	13,175	6,651
Code Compliance										
Code violations	3,626	3,584	4,823	4,250	3,730	4,022	3,455	3,738	3,516	3,591
Public Works										
Street resurfacing (lane miles)	N/A	N/A	12	4.5	3.84	10.77	2.5	6.28	1.14	6.92
Pot holes repaired	186	230	309	172	130	99	25	9	40	42
Culture and Recreation										
Parks and Recreation										
Recreation programs offered (1)	N/A	N/A	93	253	248	483	517	611	642	633
Recreation program participants (1)	N/A	N/A	5,554	2,540	2,849	15,051	18,235	19,710	29,066	45,731
Youth athletic participants (JTAA)	N/A	N/A	6,332	6,300	6,100	7,220	7,259	7,650	6,869	6,925
Camp program participants	N/A	N/A	847	839	878	741	978	929	929	1,144
Athletic camp participants	N/A	N/A	1,180	1,182	1,175	1,053	917	967	967	887
Skate park participants	N/A	N/A	17,020	14,191	12,354	13,242	14,040	12,477	13,582	14,182
Water System										
Water customers	23,713	24,754	25,272	25,875	26,541	27,061	27,343	27,597	27,924	28,415
Permitted Capacity per day (million gallons)	27.30	27.30	29.00	29.00	29.00	29.00	30.00	30.00	30.00	30.00
Average daily water consumption (million gallons)	16.76	17.34	17.59	14.00	12.32	13.64	14.09	14.97	14.74	14.80
Building Department										
Building permits issued	11,389	16,101	11,313	7,334	6,233	5,317	5,442	5,659	6,199	7,568
Value of permits (in thousands)	\$ 266,114	\$ 348,166	\$ 290,434	\$ 182,508	\$ 147,165	\$ 92,896	\$ 133,352	\$126,173	\$147,459	\$330,520
Stormwater System										
Stormwater customers	N/A	20,336	20,676	20,913	21,065	21,175	21,224	21,625	21,709	22,161

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	89	87	85	126	146	135	154	149	147	158
Code Compliance										
Vehicles	4	5	6	7	7	6	7	6	8	8
Engineering and Public Works										
Centerline road miles	107.36	113.75	114.17	114.74	115.12	115.30	116.21	118.59	119.08	121.45
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	N/A	19	22	22	22	22	22	22	22
Basketball courts	N/A	N/A	12	12	12	12	12	12	12	12
Multi-purpose fields	N/A	N/A	9	12	12	12	12	12	12	12
Tennis courts	N/A	N/A	14	14	14	14	14	14	14	14
Parks	13	13	15	15	15	17	17	17	17	17
Parks (acres)	262	262	265	265	265	265	265	265	265	265
Water System										
Water mains (miles)	356	361	378	406	442	444	444	447	454	458
Plants	1	1	1	1	1	1	1	1	1	1
Fire hydrants	2,550	2,590	2,727	2,973	3,328	3,356	3,414	3,428	3,502	3,542
Building Department										
Vehicles	18	20	22	21	21	26	13	13	11	10
Stormwater System										
Stormwater sewers (miles)	N/A	N/A	68	74	74	76	76	80	80	86

Sources: Town departments.

N/A: Not available.

TOWN OF JUPITER, FLORIDA
Schedule of Insurance in Force
As of September 30, 2013

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)
Railroad 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, 2013

TABLE 22

<u>Official</u>	<u>Annual Salary</u>
Mayor	\$ 22,200
Council (4 members)	18,600 (per member)
Town Manager	170,980
Chief of Police	135,478
Utilities Director	133,466
Engineering and Public Works Director	129,653
Information Systems Director	126,255
Business Development Director	126,255
Finance Director	126,243
Planning and Zoning Director	123,725
Assistant Town Manager	115,000
Town Clerk	114,183
Building Department Director	113,300

**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, 2013, 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 26, 2014. Our report was modified to include a reference to other auditors who audited the financial statements of the 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 also noted certain additional matters that we reported to management in a separate management letter dated March 26, 2014.

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

West Palm Beach, Florida
March 26, 2014



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

Management Letter

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

We have audited the financial statements of the Town of Jupiter, Florida, as of and for the year ended September 30, 2013, and have issued our report thereon dated March 26, 2014. Our report was modified to include a reference to other auditors.

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. 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*. Disclosures in that report, which is dated March 26, 2014, should be considered in conjunction with this management letter.

Additionally, Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida, requires certain additional information to be reported. This management letter includes the following information required by Chapter 10.550, Rules of the Auditor General, which is not included in the aforementioned auditor's report:

1. 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 (2009-5) *Information Systems* and (2012-2) *Payroll*, reported in the prior year management letter dated March 26, 2013, were adequately resolved or no longer apply. Comments (2010-3) *Purchase Approvals* and (2012-1) *Police Officer's Retirement Fund Investments* require 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 and 2012, we noted certain purchases where the purchase requisition was not prepared until after the vendor invoice date. In 2011 and 2012, we also noted a purchase that exceeded the \$2,500

threshold for obtaining quotes that did not have three quotes documented in the purchasing system as required by the purchasing policy.

Current Status: During our testing of purchases in 2013, we noted five out of the 60 purchases tested, where the requisition or approval documentation was approved after the invoice date of the transaction. The purchase order/requisition should be approved or authorized prior to the purchase being made. All purchases in 2013 in excess of the \$2,500 threshold for obtaining quotes had documented vendor quotes.

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.

2012-1 Police Officer's Retirement Fund Investments

Criteria: The investment policy adopted by the Town Council establishes the risk and safety parameters for investments by specifying the types of investment securities and limits on certain categories of investments and issuers.

Condition: Town Code Section 15-252 for the Police Officer's Retirement Fund (the "Fund") and the Fund's investment policy (Section 4.A.4.) require investments in corporate bonds to be rated *investment grade* by a Nationally Recognized Statistical Rating Agency, such as Standard and Poor's or Moody's Investor Services. The 2012 audit for the Fund indicated that the investment in corporate bonds of \$6,539,943 at September 30, 2012, included bonds with a rating of CCC, which is below investment grade.

Current Status: The 2013 audit for the Fund indicated that the investment in corporate bonds of \$8,280,557 at September 30, 2013, included bonds with a rating of CCC, which is below investment grade.

Recommendation: We recommend that the Town review the corporate bond investments that are below investment grade and determine the appropriate method to bring the investments into compliance with the Town Code.

2. Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Town complied with Section 218.415, Florida Statutes.
3. Section 10.554(1)(i)3, 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 have the following recommendations.

2013-001 Journal Entry Approval

Criteria: Journal entries should be reviewed and approved by a person other than the preparer prior to posting to the system.

Condition: During our testing of journal entries, we noted that certain accounting staff can prepare and post journal entries in the Munis system without review and/or approval by a different user.

Effect: Lack of approval or review of journal entries could increase the potential for misstatements or fraud.

Cause: The Town has not utilized an internal control feature in the Munis system that would require approval by a second person prior to allowing the system to post the entry.

Recommendation: We recommend that the Town modify the internal control feature in Munis to require review and approval of all journal entries by a second person prior to the journal entry being posted.

2013-002 Travel Expenses

Criteria: Travel expenses should be properly calculated, submitted and approved in a timely manner in accordance with the Town's travel policy.

Condition: During our testing of travel expenses, we noted that one of our fifteen sample selections did not have a Request for Travel Authorization, one selection did not submit a Request for Travel Reimbursement timely (within the 10 day timeframe per Town policy), and for three selections, the Town reimbursed the employee at the 2012 IRS mileage rate of \$0.555 instead of the 2013 IRS mileage rate of \$0.565.

Effect: Employee travel expenses did not comply with Town policy.

Cause: Travel reimbursements may be submitted incorrectly by employees.

Recommendation: We recommend that employee Request for Travel Authorization forms be completed and approved prior to the employee attending the training. Employees should submit Travel Reimbursement forms timely. Additionally, the Town should update their mileage rate to be commensurate with the current IRS standard mileage rate.

2013-003 Capital Asset Inventory

Criteria: Section 274.02, Florida Statutes, and Florida Administrative Code 69I-73.0006, requires the Town to conduct a physical inventory of capital assets on an annual basis.

Condition: We noted that the Town did not perform a physical inventory of capital assets for 2013.

Effect: The Town did not comply with the requirement for an annual inventory of capital assets.

Cause: Annual inventory was not conducted in 2013.

Recommendation: We recommend that the Town perform a physical inventory of capital assets and reconcile this inventory to the capital asset records. Any unlocated capital assets should be investigated and deleted from the detailed records.

4. Section 10.554(1)(i)4., 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.

5. Section 10.554(1)(i)5., 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.
6. Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity 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, 2013.
7. Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the Town for the fiscal year ended September 30, 2013, 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, 2013. In connection with our audit, we determined that these two reports were in agreement.
8. Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7)., Rules of the Auditor General, we applied financial condition assessment procedures as of September 30, 2013. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on the representations made by management and the review of financial information provided by same. The results of our procedures disclosed no matters that are required to be reported.

The Town's response to the matters identified in this management letter is described in the accompanying Management's Response on page 115. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

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

West Palm Beach, Florida
March 26, 2014