

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS**

**AGENDA ITEM SUMMARY**

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<b>Meeting Date:</b>	September 19, 2023	<input checked="" type="checkbox"/> <b>Consent</b>	<input type="checkbox"/> <b>Regular</b>
		<input type="checkbox"/> <b>Workshop</b>	<input type="checkbox"/> <b>Public Hearing</b>

**Department:** Office of Financial Management and Budget

**Submitted By:** Office of Financial Management and Budget

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**I. EXECUTIVE BRIEF**

**Motion and Title: Staff recommends motion to receive and file:** The Annual Report and Financial Statements for the Fiscal Year ending September 30, 2022 from the Town of Jupiter Community Redevelopment Agency (TOJ CRA).


**Summary:** The TOJ CRA has submitted its Annual Report and Financial Statements for the Fiscal Year ending September 30, 2022 as per section numbers 163.356(3)(d) and 163.387(8), Florida Statutes. Countywide (DB).

**Background and Justification:** N/A

**Attachments:** Annual Report and Financial Statements

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**Recommended by:**

  
Department Director

8/29/2023  
Date

**Approved by:**

  
County Administrator

8/31/23  
Date

## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	_____	_____	_____	_____	_____

# ADDITIONAL FTE  
POSITIONS (Cumulative)

Is Item Included In Current Budget? Yes \_\_\_\_\_ No X  
Does this item include the use of Federal Funds? Yes \_\_\_\_\_ No X  
Budget Account No. Fund \_\_\_\_\_ Department \_\_\_\_\_ Unit \_\_\_\_\_ Object \_\_\_\_\_

### B. Recommended Sources of Funds/Summary of Fiscal Impact:

### C. Departmental Fiscal Review:

## III. REVIEW COMMENTS

### A. OFMB Fiscal and/or Contract Dev. and Control Comments:

ASDuck 0/29/23  
OFMB 8/3/23 CB 8/29

N/A  
Contract Dev. and Control

### B. Legal Sufficiency:

Oh W 8/30/23  
Assistant County Attorney

### C. Other Department Review:

N/A  
Department Director

This summary is not to be used as a basis for payment



# COMMUNITY REDEVELOPMENT AGENCY

## 2022 ANNUAL REPORT



**FISCAL YEAR ENDING  
SEPTEMBER 30, 2022**

Under Chapter 163.371

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    CRA Boundary Map ..... 8

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## **Letter of Transmittal from Executive Director**

March 31, 2023

### Message from the Executive Director:

We are pleased to submit the Annual Report of the Jupiter Community Redevelopment Agency for the fiscal year that ended on September 30, 2022. Section 163.371, Florida Statutes, requires each CRA to file with its governing body, on or before March 31 of each year, a report of its activities for the preceding fiscal year, which shall include a complete financial statement setting forth its assets, liabilities, income, and operating expenses as of the end of such fiscal year. The report also provides additional information of interest to the residents and businesses.

The CRA saw an increase (1.6%) in the overall property values within the boundaries during the 2022 fiscal year. Projects currently included in the 5 year CRA capital budget (FY 2022-2026) include:

- Jupiter Beach Road and A1A intersection improvements. The A1A/Jupiter Beach Road Roundabout project was awarded on October 20, 2022 for approximately \$1.1 million. The project is expected to start in the spring of 2023 and will take approximately five months to complete.
- The Events Plaza Wall Repair design was started in late 2022. This work is being performed to repair damage caused to the seawall by a jet ski crash. The preliminary design report was received at the end of 2022 and is currently under review. The work to complete the wall repair will begin as soon as possible. The CRA approved \$100,000 for repairs, as a part of the CIP budget cycle for 2023.
- Riverwalk Connection. Future pedestrian bridge across the Jupiter Oxbow to connect the Riverwalk from US Highway One at Burt Reynolds Park to the Inlet Village. This remains a carryforward item for future consideration.

New private development projects that are expected to begin construction or are in the advanced stages of development include:

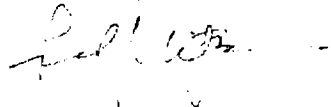
- **Cornerstone** – a 15 dwelling unit mixed-use building with 2,500 square feet (sf) of commercial on one acre at the southwest corner of Indiantown Road and US Highway 1; the development includes construction of 14 transient public access docks along Coastal Way abutting the south side of the Plaza Down Under; and includes five on-street public parking spaces near the Riverwalk. Permits for construction were issued on March 15, 2021. Construction is underway with completion anticipated in mid-2023.
- **Inlet Waters** – 33 two-story, multi-family units and a private marina on 3.8 acres located on the west side of N. A1A south of Parkway Street was completed in late 2022.
- **Water Pointe** – 35 two-story townhomes on 4.2 acres approximately 850 feet north of the intersection of U.S. Highway 1 and Ocean Way was approved in 2019. Construction began in 2022. Completion is anticipated by the end of 2023.

- Pink House – Renovation of a single-family house originally constructed in 1955 is underway to convert it for commercial use. Renovation is anticipated to be complete in 2023.
- Kempe Property (northeast corner of A1A and Parkway Street): Phase 2 is a mixed use project that will add office/retail, restaurant, and six residential units to an existing office development (Phase 1). Phase 2, approved in 2014, has received several development order extensions and remains unbuilt.
- Jupiter Oxbow (west side of A1A between Saturn and Parkway Street): A mixed use development on a 0.7 acre property was approved in 2019 and received development order extensions, but remains unbuilt. The project will include seven multi-family residential units and 3,695 sf of commercial fronting on A1A, and features a publicly accessible archeological/historic plaza and preservation of most of the mature oak trees on the site.

These new projects are expected to continue to create increases in CRA property valuations that will allow the CRA to complete the capital programs it has established in its capital improvement budget and provide the infrastructure required to allow Town residents to gain access to the unique waterfront that the Town of Jupiter has to offer.

Due to construction of the nearby Cornerstone project, no Town sponsored events were held during the past year at the Plaza Down Under on the Riverwalk.

Respectfully submitted,

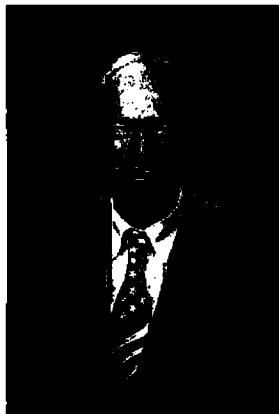


Frank J. Kitzerow  
Executive Director  
Town of Jupiter

**Community Redevelopment Agency (CRA) Principal Officials**

The CRA Commission consists of five commissioners who also serve as Members of the Town of Jupiter Council. The terms of office of the commissioners are concurrent with the terms of the Mayor and the members of the Town Council. The Chair and Vice-Chair are designated by majority vote of the Town Council.

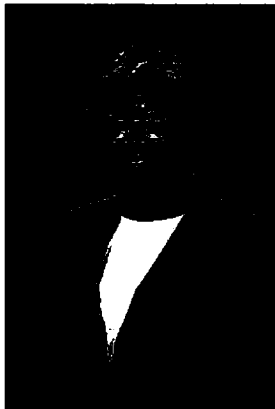
The commissioners for the 2021/2022 Fiscal Year are as follows:



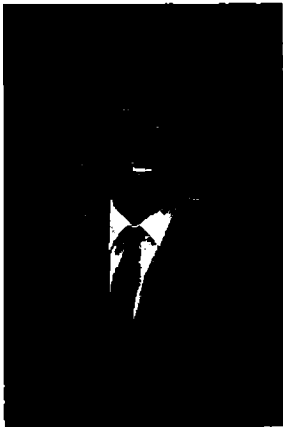
**Jim Kuretski**  
**Chair**



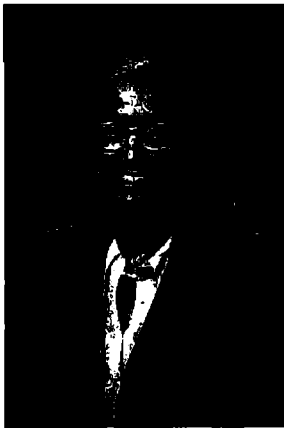
**Ron Delaney**  
**Vice-Chair**



**Cheryl Schneider**  
**Commissioner**



**Cameron May**  
**Commissioner**



**Malise Sundstrom**  
**Commissioner**

## **Community Redevelopment Agency Staff**

Frank J. Kitzerow  
Town Manager/Executive Director  
561-741-2214  
[frankk@jupiter.fl.us](mailto:frankk@jupiter.fl.us)

Jupiter Community Redevelopment Agency   210 Military Trail   Jupiter, FL 33458

### **Mission:**

**The mission of the CRA is to implement the Community Redevelopment Plan as adopted by the Jupiter Town Council pursuant to Chapter 163, Part III of the Florida Statutes, and to use Tax Increment Financing (TIF) as a source of funding for capital improvement projects identified in the plan and to ensure that development within the CRA district meets the quality standards consistent with the community's vision for Jupiter.**

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## **Introduction**

### **Requirement for an Annual Report**

The Community Redevelopment Agency Commission shall file with the Town of Jupiter and Palm Beach County, on or before March 31 of each year, a report of its activities for the preceding fiscal year and this report shall include a complete financial statement setting forth the CRA's assets, liabilities, income, and operating expenses as of the end of such fiscal year. At the time of filing the report, the agency shall publish in a newspaper of general circulation in the Town, a notice to the effect that such report has been filed with the Town and that the report is available for inspection during business hours in the office of the Clerk of the Town. The notice of the filing of the annual report will be placed in the Palm Beach Post on March 24, 2023.

### **CRA Purpose**

Florida State Statute 163 allows a Community Redevelopment Agency to be created for one or more of the following purposes: the elimination and prevention of blight; or the reduction or prevention of crime; or for the provision of affordable housing; or the rehabilitation and revitalization of coastal resort and tourist areas that are deteriorating and economically distressed.

### **History**

The Jupiter Community Redevelopment Agency (Jupiter CRA) was created in fall 2001 by the Jupiter Town Council under Chapter 163, Part III of the Florida Statutes and will sunset in 2034. The Jupiter CRA boundary originally included an area consisting of approximately 397 acres. In 2011, the CRA boundaries were expanded via Resolution No. CRA 3-11, Town of Jupiter Resolution No. 22-11 and Palm Beach County Resolution No. R-2011-1104 to include approximately 0.62 acres from 960 North A1A and approximately 0.91 acres located at 950 North A1A (Guanabanas and the Inlet Village Marina). The total CRA boundaries now consist of approximately 399 acres. The current boundaries of the CRA District are included on the map herein.

The governing body of the Jupiter CRA is the Jupiter Town Council. The Council is comprised of five (5) members. Under the State Statutes and the Town ordinances, the Jupiter CRA has substantial powers and authority within the Jupiter CRA area. These include the power to make and execute contracts, to acquire and dispose property, to approve development plans, to implement a program of voluntary or compulsory rehabilitation of buildings, to mortgage its property, to borrow and invest money, and to apply for and accept grants and contributions.

The Community Redevelopment Plan was formally adopted in 2008, and amended in 2012.

### **Tax Increment Financing (TIF)**

The primary revenue earned by the CRA is Ad Valorem Taxes from Tax Increment Financing. Tax Increment Financing, or TIF, is the amount of tax specifically due to increased property values within the CRA District. The Town established the Redevelopment Trust Fund using 2004 as the base year for tax increment revenues. The Community Redevelopment Agency collects TIF funds only from Palm Beach County and the Town of Jupiter. The CRA land area consists of approximately 399 acres, as amended to include the Guanabanas and Inlet Village Marina parcels in 2011; the 2004 base year value was \$167,553,151 as determined by the Palm Beach County Property Appraisers office.

The FY2022 fiscal year value is \$507,340,089, an increase of \$339,786,938 over the 2004 base year value.

## CRA Boundary Map

**CRA Boundary Map as indicated by the brown line. (Amended 2011 to include properties at 950 and 960 North A1A)**



## **Fiscal Year 2021/2022 Jupiter CRA Activities**

The Jupiter CRA is treated as a special revenue fund of the Town. An independent financial audit by an external CPA firm has been accomplished annually to be in compliance with Section 163.387(8), Florida Statutes. An annual budget is also adopted by the Jupiter CRA Commission to be in compliance with Section 189.418(3). Major activities and accomplishments of the Jupiter CRA in Fiscal Year 2021/2022 include:

### **Planning and Activity Efforts:**

- Held meetings with potential developers on several development proposals within the CRA. These properties included: Property north of Harbourside and south of Piatt Place, Sperry property, 18011 N. A1A (Addario, Kempe, and Beyel properties), 1025 Love Street, and 900 S. US Highway One.
- In 2022, FDOT began construction on the US1 Bridge replacement. The Town and CRA continue to coordinate with FDOT on the project, and has permitted FDOT use of the town-owned Piatt Place property as a construction laydown area.
- The Jupiter Beach Road/A1A intersection plan was presented to the CRA spring 2022 for direction on how or whether to move forward with the project. On October 20, 2022, the A1A/Jupiter Beach Road Roundabout project was awarded for approximately \$1.1 million. The project is expected to start in the spring of 2023 and will take approximately five months to complete.
- Coordinated with Town staff and prepared the Annual 2021/2022 CRA Report. Filed with the county within the timeline of the Florida Statutes.
- Responded and corresponded with residents providing information and problem solving.
- Allowed use of the Riverwalk Plaza Down Under for three nonprofit events (not Town sponsored events).
- Oversaw maintenance of Riverwalk and associated amenities, including installation of 14 new safety and directional signs along the Riverwalk, US 1, and Inlet Village roadways.

### **Business Assistance via Staff Support**

- Licensing Agreements for Guanabanas and Castaway's peak hour use of the CRA Municipal Parking Lot at Love Street, and with Jupiter Outdoor Center for off-peak hour use.

### **Riverwalk and Inlet Village Promotional Activities**

- The annual Jupiter U program returned to its in-person format in April 2022, after going virtual during the COVID-19 pandemic. Both the Riverwalk and the Inlet Village tours were well attended with 39 people registered for the Riverwalk tour and 35 people registered for the Inlet Village tour.

### **CRA budgeted projects and expenditures during 2021/22**

The following table summarizes the projects budgeted during the 2021/22 fiscal year, the actual year-end expenditure, remaining funds and projected in-service dates:

**FY 2022 Year-End Project**

Project Description	Budget	Year-End Actual	Remaining Funds	Projected In-Service Date
Riverwalk Connection Chambers/BRP West	145,000	-	145,000	TBD
A1A US 1 to Jupiter Beach Road	766,353	6,661	759,692	2023
Love St Sidewalk	35,000	-	35,000	2023
Riverwalk Gravity	50,000	-	50,000	2023
Total	996,353	6,661	989,692	

**Tax Increment Revenue**

The primary revenue earned by the CRA is Ad Valorem Taxes generated from the Tax Increment valuation increase over the base year of the CRA. This is the amount of tax attributed to increased property values within the CRA District. The year established as the base year for the CRA is 2004 for tax increment revenue purposes. The tax increment revenue is determined annually as 95 percent of the difference between: (a) the current valuation of all levied properties each year within the Jupiter CRA boundary compared to, (b) the base year valuation of the same properties. That increase in valuation is multiplied by the base millage rates of the Town of Jupiter and Palm Beach County to determine the Tax Increment revenue paid to the Jupiter CRA each year.

*These revenues are only collected from Palm Beach County and the Town of Jupiter.*

The following entities are not included in the taxes levied:

- Jupiter Debt (Community Center and Open Space)
  - Jupiter Fire/Rescue
  - Jupiter Inlet District
  - South Florida Water Management District
  - Florida Inland Navigation District
- Everglades Construction
  - Palm Beach County Debt
  - Children’s Services Council
  - Library Debt & Library Operating
  - School District and associated General Obligation Debt funded by ad valorem taxes



### **Jupiter CRA Total Property Tax Revenue in Redevelopment Area**

<b>Fiscal Year</b>	<b>Palm Beach County</b>	<b>Town of Jupiter</b>	<b>Total Property Tax Revenue</b>
<b>2005</b>	\$168,479	\$98,073	\$266,552
<b>2006</b>	\$299,630	\$177,605	\$477,235
<b>2007</b>	\$752,596	\$425,903	\$1,178,499
<b>2008</b>	\$747,616	\$439,324	\$1,186,940
<b>2009</b>	\$696,149	\$451,037	\$1,147,186
<b>2010</b>	\$607,448	\$361,891	\$969,339
<b>2011</b>	\$483,799	\$254,992	\$738,791
<b>2012</b>	\$411,075	\$216,662	\$627,737
<b>2013</b>	\$410,805	\$216,519	\$627,324
<b>2014</b>	\$472,323	\$248,355	\$720,678
<b>2015</b>	\$546,413	\$288,240	\$834,653
<b>2016</b>	\$1,012,118	\$526,260	\$1,538,378
<b>2017</b>	\$1,186,693	\$596,611	\$1,783,304
<b>2018</b>	\$1,278,373	\$658,583	\$1,936,956
<b>2019</b>	\$1,399,376	\$720,921	\$2,120,297
<b>2020</b>	\$1,486,546	\$765,860	\$2,252,406
<b>2021</b>	\$1,506,192	\$776,947	\$2,283,139
<b>2022</b>	\$1,539,913	\$788,432	\$2,328,345

### **Grant Funding for projects in the CRA to date**

<b>Project</b>	<b>Grant Amount</b>
Jupiter Inlet Marina	233,970
A1A	700,875
Harbourside	700,000
Harbourside	827,505
A1A	735,000
Inlet Village Marina	199,675
River Plaza	150,000
Water Taxi	500,000
Lagoon Bridge	1,491,964
A1A	456,000
Ocean Way	486,800
Coastal Way	500,000
Coastal Way	246,250
Coastal Way	150,000
Lighthouse Promenade	500,000
<b>Total Grant Funding</b>	<b>\$6,451,203</b>

## **Financial Statements**

The Jupiter CRA is considered a blended component unit of the Town and therefore it is included in the Town's annual financial audit. In order to meet the requirement of Section 163.387(8), Florida Statutes, which requires the CRA to provide for annual audit of the redevelopment trust fund, the Jupiter CRA has been treated as a major fund of the Town. The financial statements included herein are unaudited statements of the Jupiter CRA. Audited statements are included in the Town's Annual Comprehensive Financial Report (ACFR) for the fiscal year ending September 30, 2022 and may be obtained in the Town Clerk's office, 210 Military Trail, Jupiter, Florida or online at [www.jupiter.fl.us](http://www.jupiter.fl.us).

Balance Sheet  
September 30, 2022

	2022	2021
Assets:		
Cash and Investments	3,633,293	2,433,315
Accounts receivables-grants	(9,760)	5,350
Note Receivable	54,887	64,487
Prepaid items	495	395
Total Assets	3,678,915	2,503,548
Liabilities:		
Accounts Payable	28,315	9,213
Accrued Liabilities	704,510	704,510
Due to Other Funds	3,925,700	4,801,910
Deposits	110,000	110,000
Deferred Revenue	-	-
Total Liabilities	4,768,525	5,625,633
Deferred Inflow of Resources		
Unavailable Revenues	54,887	64,487
Fund Balances:		
Non-Spendable	-	-
Unassigned	(1,144,497)	(3,186,572)
Total Fund Balance	(1,144,497)	(3,186,572)
Total Liabilities and Fund Balance	3,678,915	2,503,548

Statement of Revenues, Expenditures and Changes in Fund Balance  
September 30, 2022

	2022	2021
Revenues:		
Taxes	\$2,328,345	\$2,283,139
Grant Revenue	-	-
Interest & Misc.	<u>\$ 562,970</u>	<u>\$ 98,012</u>
Total Revenues	\$2,891,315	\$2,381,151
Expenditures:		
Current:		
General Government	910,521	968,880
Capital Outlay		
Physical and Economic Environment	6,661	426,548
Debt Service		
Interest and Fiscal Charges	<u>132,057</u>	<u>152,190</u>
Total Expenditures	<u>1,049,239</u>	<u>1,547,618</u>
Revenue Over Expenditures	<u>\$1,842,076</u>	<u>\$833,533</u>
Other Financing Uses:		
Transfers Out	-	(200,000)
Excess (deficiency) of revenues		
over expenditures and other financing uses	-	-
Fund Balance - Beginning of Year	<u>(3,186,573)</u>	<u>(3,820,106)</u>
Fund Balance - End of Year	<u>(1,344,497)</u>	<u>(3,186,573)</u>

## Updates on Work Plan for 2021/2022

- Inlet Village Parking Management Plan - Continue to work on parking management coordinating with development proposals in the Inlet Village. Planning and Zoning staff worked with developers through the application process to ensure adequate parking is provided to accommodate the parking needs of private developments and to provide parking for use by the general public.
  - 175 spaces designated for public use:
    - Love Street CRA-owned parking lot –
      - 175 spaces maintained.
    - Parkway Street parking lot – (see details below).
  - Private developments approved; under construction; or partially completed.
    - Love Street development project
      - Parking required: 196 spaces;
      - Parking provided: 101 on-site; 95 provided off-site at Parkway Street Parking Lot;
      - Development status: Phase 1 (two restaurants) were completed and opened in early 2021; Phase 2 (retail/office) no permits applied for.
    - Parkway Street Parking Lot
      - Parking provided: 300 spaces approved with 173 in Phase 1, which includes 95 spaces that are to remain open to the public consistent a condition of the development approval. In addition, over 50 percent of the spaces must remain publicly accessible at all time.
      - Development status: Phase 1 parking lot was open to the public in early 2021; Phase 2 (127 spaces) no permits applied for.
    - Jupiter Oxbow (mixed use project: 3,695 square feet retail and 7 residential units)
      - Parking required: 29 spaces
      - Parking provided: 15 on-site; 14 spaces provided by shared/off-site parking on Kempe East.
      - Development status: Project approved; no permits have been applied for.
    - Kempe East (mixed use project: 4,742 square feet retail/office, 2018 sf restaurant, and 6 residential units)
      - Parking required: 143 spaces without shared parking; 111 with shared parking
      - Parking provided: 119 on-site;
      - Site Plan amended to reconfigure the parking lot and shared parking plan.
    - Pink House use change approval
      - Parking required: 4 spaces by code;
      - Parking provided: 6 spaces;
      - Development status: Renovation is underway.
- US 1 Corridor projects located along the Riverwalk:
  - 150 Coastal Way (Cornerstone Project) – Ground floor office/retail (2,500 sf); 15 residential dwelling units above the first floor; and 14 public boat slip marina received development permits in March 2021.
    - Parking required: 43 spaces
    - Parking provided: 49 spaces (5 of which are public spaces).
    - Development status: Construction is underway; nearing completion.
- Day to day management and maintenance of Riverwalk corridor
  - Ongoing.
- GIS mapping of Riverwalk corridor
  - No work has been undertaken on interactive digital map.

### **Updates on Prospective Projects from 2021/2022 CRA CIP**

- Jupiter Beach Road and A1A intersection improvements - The Jupiter Beach Road/A1A intersection plan was presented to the CRA spring 2022 for direction on how or whether to move forward with the project. On October 20, 2022, the A1A/Jupiter Beach Road Roundabout project was awarded for approximately \$1.1 million. The project is expected to start in the spring of 2023 and will take approximately five months to complete.

**JJUPITER COMMUNITY REDEVELOPMENT AGENCY**  
**(A COMPONENT UNIT OF THE TOWN OF JUPITER, FLORIDA)**

**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**JUPITER COMMUNITY REDEVELOPMENT AGENCY,  
(A COMPONENT UNIT OF THE TOWN OF JUPITER, FLORIDA)**

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## **INDEPENDENT AUDITORS' REPORT**

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Commissioners and Executive Director  
**Jupiter Community Redevelopment Agency**  
Jupiter, Florida

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the financial statements of the governmental activities and the major fund of the Jupiter Community Redevelopment Agency (the "Agency"), a component unit of the Town of Jupiter, Florida, as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency, as of September 30, 2022, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Agency's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9, and budgetary comparison schedule on pages 27 through 28 be presented to supplement the financial statements. Such information is

the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2023 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Agency's internal control over financial reporting and compliance.

*Marcum LLP*

West Palm Beach, Florida  
March 28, 2023

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(MD&A)**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

Acting in our capacity as the management of the Jupiter Community Redevelopment Agency (the "CRA" or the "Agency"), we offer readers of the CRA's financial statements this narrative overview and analysis of the financial activities of the CRA for the fiscal year ended September 30, 2022.

### Financial Highlights

- The assets of the CRA exceeded its liabilities at the close of the most recent fiscal year by \$5,794,669 (*net position*).
- The CRA's total net position increased \$1,555,757. Substantially all of this increase is attributable to tax increment revenue in excess of redevelopment expenses due to the timing of CRA projects.
- As of the close of the current fiscal year, the CRA's General Fund reported an ending fund balance deficit of \$1,144,497, an increase of \$1,842,076 as compared to prior year. The unassigned fund balance deficit is \$1,144,992.
- The CRA's capital assets of \$7,740,426 decreased by \$95,465 during the current fiscal year due to depreciation expense in excess of capital assets additions.

### Overview of the Financial Statements

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

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

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

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

The government-wide financial statements present functions of the CRA that are principally supported by tax increment revenues (*governmental activities*). The governmental activities of the CRA consist of general government expenses. The CRA has no business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The government-wide financial statements can be found on pages 10 and 11 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The CRA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The CRA utilizes only one fund, the *General Fund*, which is classified as a *governmental* fund and accounts for all financial resources of the CRA.

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

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

The governmental fund financial statements can be found on pages 12 and 14 of this report. The reconciliation of the general fund balance sheet to the statement of net position can be found on page 13. The reconciliation between the governmental fund change in fund balance and the governmental activities change in net position can be found on page 15.

**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 16 to 26 of this report.

**Other information.** In addition to the financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the CRA's budget to actual results for the General Fund for the current year. The CRA adopts an annual appropriated budget for its General Fund, for which a budgetary comparison schedule has been provided on page 27 to demonstrate compliance with this budget.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the CRA, assets exceeded liabilities by \$5,794,669 at the close of the most recent fiscal year.

The following table provides a summary of the CRA's net position for the fiscal years ended September 30, 2022 and 2021:

**SUMMARY OF NET POSITION  
SEPTEMBER 30, 2022 AND 2021**

	Governmental Activities			
	2022	2021	(\$) Change	(%) Change
<b>Assets</b>				
Current and other assets	\$ 3,688,675	\$ 2,503,547	\$ 1,185,128	47.3%
Capital assets, net	<u>7,740,426</u>	<u>7,835,891</u>	<u>(95,465)</u>	-1.2%
<b>Total Assets</b>	<u>11,429,101</u>	<u>10,339,438</u>	<u>1,089,663</u>	10.5%
<b>Liabilities</b>				
Current liabilities	4,778,285	5,425,633	(647,348)	-11.9%
Noncurrent liability	<u>856,147</u>	<u>674,893</u>	<u>181,254</u>	26.9%
<b>Total Liabilities</b>	<u>5,634,432</u>	<u>6,100,526</u>	<u>(466,094)</u>	-7.6%
<b>Net Position</b>				
Investment in capital assets	7,740,426	7,835,891	(95,465)	-1.2%
Unrestricted (deficit)	<u>(1,945,757)</u>	<u>(3,596,979)</u>	<u>1,651,222</u>	-45.9%
<b>Total Net Position</b>	<u>\$ 5,794,669</u>	<u>\$ 4,238,912</u>	<u>\$ 1,555,757</u>	36.7%

The CRA's net position increased by \$1,555,757 during the current fiscal year, which primarily represents the degree to which tax increment revenues exceeded current year expenses.

Currents and other assets increased due an increase in cash of approximately \$1.2 million. The increase in cash was due to higher tax increment revenues, increased contributions of approximately \$463,000 and a decrease in expenses of approximately \$400,000 due to less use of Town staff and services by the CRA and a decrease in government aid provided by the CRA as compared to the prior year.

Current liabilities decrease approximately \$647,000 (11.9%) due to current year principal payment on an advance from the Town to the CRA.

Noncurrent liability increased approximately \$181,000 (26.9%) due to an accrual for the tax increment incentive agreement with Harbourside.



**Governmental activities.** Governmental activities increased the CRA's net position by \$1,555,757. Key elements of this increase are as follows.

**SUMMARY OF CHANGES IN NET POSITION  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

	Governmental Activities			
	2022	2021	(\$) Change	(%) Change
<b>Revenues</b>				
Program revenues:				
Charges for services	\$ 86,382	\$ 86,632	\$ (250)	-0.3%
Capital grants and contributions	190,178	—	190,178	100.0%
General revenues:				
Tax increment revenue	2,328,345	2,283,139	45,206	2.0%
Investment earnings	3,312	1,011	2,301	227.6%
Reimbursement from the Town	270,888	—	270,888	100.0%
Miscellaneous revenue	<u>2,610</u>	<u>768</u>	<u>1,842</u>	0.0%
<b>Total Revenues</b>	<u>2,881,715</u>	<u>2,371,550</u>	<u>510,165</u>	21.5%
<b>Expenses</b>				
General government	1,193,901	1,593,296	(399,395)	-25.1%
Interest expense	<u>132,057</u>	<u>152,190</u>	<u>(20,133)</u>	-13.2%
<b>Total Expenses</b>	<u>1,325,958</u>	<u>1,745,486</u>	<u>(419,528)</u>	-24.0%
<b>Change in Net Position</b>	1,555,757	626,064	929,693	148.5%
<b>Net Position - Beginning</b>	<u>4,238,912</u>	<u>3,612,848</u>	<u>626,064</u>	17.3%
<b>Net Position - Ending</b>	<u>\$ 5,794,669</u>	<u>\$ 4,238,912</u>	<u>1,555,757</u>	36.7%

Tax increment revenues increased by approximately \$45,000 or 2% for the year. Property values in the CRA's development area increased by approximately \$7.7 million or 1.5% over 2021, accounting for the increase in tax increment revenue. Capital grants and contributions increased due to a capital contribution from a private developer of approximately \$200,000 and a reimbursement from the Town of approximately \$271,000.

General government expenses decreased approximately \$399,000 (25.1%) resulting from an decrease in the use of Town staff and services and a decrease in aid provided to other organizations.

**Financial Analysis of the Governmental Fund**

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

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

As of the end of the current fiscal year, the CRA's General Fund reported an ending fund balance deficit of \$1,144,497, an increase of \$1,842,076 for the year. This balance is made up of the CRA's unassigned fund balance (deficit) of \$1,144,992 and a non-spendable fund balance of \$495.

The approximate \$1,842,000 increase in fund balance for the General Fund in fiscal year 2022 was primarily related to an increase in tax increment revenues and reduced general government and capital outlay expenditures.

### General Fund Budgetary Highlights

During fiscal year 2022, total revenues exceeded budget by approximately \$384,000 (excluding appropriated fund balance) as a result of increases in tax increment revenues. Overall, total expenditures were approximately \$1,373,000 less than the final budgeted appropriations for 2022 due to redevelopment projects not being completed by year end. There was a decrease of approximately \$16,000 from the original budgeted expenditures to the final amended budget for the year, which was attributable to less spent for anticipated redevelopment projects.

### Capital Asset and Debt Administration

**Capital assets.** The CRA's investment in capital assets as of September 30, 2022, amounts to \$7,740,426 (net of accumulated depreciation). This investment in capital assets includes land, improvements other than buildings, and infrastructure. The net decrease in the CRA's investment in capital assets for the current fiscal year was \$95,465. Major capital asset transactions during 2022 consisted of capital outlay expenditures of \$6,661 net of depreciation of \$102,126. Capital assets at September 30, 2022 and 2021 are summarized as follows:

#### CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION) SEPTEMBER 30, 2022 AND 2021

	Governmental Activities	
	2022	2021
Land	\$ 5,218,551	\$ 5,218,551
Improvement other than buildings	1,602,584	\$ 1,662,773
Infrastructure	919,291	954,567
<b>Totals</b>	<u>\$ 7,740,426</u>	<u>\$ 7,835,891</u>

Additional information on the CRA's capital assets can be found in Note 6 to the audited financial statements.

**Noncurrent liability.** The CRA does not have any debt obligations as of September 30, 2022 and 2021. The noncurrent liability consists of a tax incentive rebate liability that will be payable in future years. See Note 7 to the audited financial statements.

### **Economic Factors and Next Year's Budget**

The following economic factors were considered in establishing the CRA's budget for the 2022/2023 fiscal year.

- The property valuations in the CRA district increased approximately \$404 million in tax year 2022, which represents a \$65.9 million increase in the CRA incremental value over that of 2021 tax year. Ad valorem revenues generated from the incremental tax base throughout the CRA is estimated at \$2.8 million for the 2023 fiscal year compared to \$2.5 million for fiscal year 2022. Overall property values compare favorably with those in other areas of Palm Beach County which continued to rise and are expected to increase modestly in future years.
- The Inlet Village within the CRA continues to experience redevelopment activity along its Riverwalk Corridor which will lead to future gains in surrounding property values.
- Inflationary and economic trends in the area compare favorably relative to national trends.

All of these factors were considered in preparing the CRA's budget for the 2022/2023 fiscal year.

### **Requests for Information**

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

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## **FINANCIAL STATEMENTS**

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**JUPITER COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the Town of Jupiter, Florida)**

**STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2022**

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash	\$ 3,633,293
Note receivable	54,887
Prepaid item	495
Capital assets, not being depreciated:	
Land	5,218,551
Capital assets, net of accumulated depreciation:	
Improvements other than buildings	1,602,584
Infrastructure	<u>919,291</u>
<b>Total Assets</b>	<u>11,429,101</u>
<b>Liabilities</b>	
Accounts payable	38,075
Accrued liabilities	704,510
Advance due to the Town of Jupiter	3,925,700
Deposits	110,000
Noncurrent liability	
Due in more than one year	<u>856,147</u>
<b>Total Liabilities</b>	<u>5,634,432</u>
<b>Net Position</b>	
Investment in capital assets	7,740,426
Unrestricted (Deficit)	<u>(1,945,757)</u>
<b>Total Net Position</b>	<u><u>\$ 5,794,669</u></u>

*The accompanying notes are an integral part of these financial statements.*

**JUPITER COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the Town of Jupiter, Florida)**

**STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED SEPTEMBER, 30 2022**

Functions/Programs	Expenses	Program Revenue			Net Revenue (Expenses) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
General government	\$ 1,193,901	\$ 86,382	\$ --	\$ 190,178	\$ (917,341)
Interest expense	<u>132,057</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(132,057)</u>
<b>Total Governmental Activities</b>	<b><u>\$ 1,325,958</u></b>	<b><u>\$ 86,382</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 190,178</u></b>	<b><u>(1,049,398)</u></b>
<b>General Revenues</b>					
					2,328,345
					3,312
					270,888
					<u>2,610</u>
					<b><u>2,605,155</u></b>
					<b>1,555,757</b>
					<u>4,238,912</u>
					<b><u>\$ 5,794,669</u></b>

*The accompanying notes are an integral part of these financial statements.*

**JUPITER COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the Town of Jupiter, Florida)**

**BALANCE SHEET - GENERAL FUND**

**SEPTEMBER 30, 2022**

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**Assets**

Cash	\$ 3,633,293
Prepaid item	495
Note receivable	<u>54,887</u>

<b>Total Assets</b>	<b><u>\$ 3,688,675</u></b>
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**Liabilities and Fund Balance (Deficit)**

**Liabilities**

Accounts payable	\$ 38,075
Accrued liabilities	704,510
Advance due to the Town of Jupiter	3,925,700
Deposits	<u>110,000</u>

<b>Total Liabilities</b>	<b><u>4,778,285</u></b>
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**Deferred Inflows of Resources**

Unavailable revenue	<u>54,887</u>
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**Fund Balance (Deficit)**

Non-Spendable	495
Unassigned	<u>(1,144,992)</u>

<b>Total Fund Balance (Deficit)</b>	<b><u>(1,144,497)</u></b>
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<b>Total Liabilities and Fund Balance (Deficit)</b>	<b><u>\$ 3,688,675</u></b>
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*The accompanying notes are an integral part of these financial statements.*

**JUPITER COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the Town of Jupiter, Florida)**

**RECONCILIATION OF THE GENERAL FUND BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2022**

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<b>Fund Balance (Deficit) - Total General Fund</b>	<b>\$ (1,144,497)</b>
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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 general fund:

Governmental capital assets	\$ 8,416,875	
Less accumulated depreciation	<u>(676,449)</u>	7,740,426

Some liabilities are not due and payable in the current period and consist of:

Tax Increment Incentive (Long-term liability)	(856,147)
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In the general fund, the long-term note receivable is not available to pay for current period expenditures and, therefore, is reported as unavailable revenue in the general fund

	<u>54,887</u>
--	---------------

<b>Net Position of Governmental Activities</b>	<b><u>\$ 5,794,669</u></b>
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*The accompanying noteS are an integral part of these financial statements.*



**JUPITER COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the Town of Jupiter, Florida)**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**Revenues**

Tax increment revenue	\$ 2,328,345
Charges for services	86,382
Investment earnings	3,312
Donation from private developer	199,778
Reimbursement from the Town	270,888
Miscellaneous	<u>2,610</u>

<b>Total Revenues</b>	<u>2,891,315</u>
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**Expenditures**

Current	
General government	910,521
Capital outlay	6,661
Debt service	
Interest	<u>132,057</u>

<b>Total Expenditures</b>	<u>1,049,239</u>
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<b>Excess of Revenues over Expenditures</b>	1,842,076
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<b>Fund Balance (Deficit) - Beginning</b>	<u>(2,986,573)</u>
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<b>Fund Balance (Deficit) - Ending</b>	<u><u>\$ (1,144,497)</u></u>
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*The accompany notes are an integral part of these financial statements.*

**JUPITER COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the Town of Jupiter, Florida)**

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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<b>Net Change in Fund Balance - General Fund</b>	<b>\$ 1,842,076</b>
--	---------------------

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

General fund reports capital outlays as expenditures.  
However, in the statement of activities, the cost of those  
assets is allocated over their estimated useful lives as  
depreciation expense:

Capital outlay	\$ 6,661	
Current year depreciation	<u>(102,126)</u>	(95,465)

Current year change in deferred inflows reported at the fund level, but recognized as revenue in statement of activities	(9,600)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the general fund	<u>(181,254)</u>
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<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 1,555,757</u></b>
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*The accompany notes are an integral part of these financial statements.*

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## **NOTES TO FINANCIAL STATEMENTS**

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# **JUPITER COMMUNITY REDEVELOPMENT AGENCY**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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### **NOTE 1 – JUPITER COMMUNITY REDEVELOPMENT AGENCY**

The Jupiter Community Redevelopment Agency (the “CRA” or “Agency”) is a dependent special district established by the Town of Jupiter, Florida, (the “Town”) under authority granted by Florida Statute 163, Section III. The purpose of the CRA is to promote and guide the physical and economic redevelopment of approximately 400 acres along the Intracoastal Waterway in the Town of Jupiter. The CRA is a legally separate entity established by Ordinance number 60-01 of the Jupiter Town Council (the “Town Council”) in December 2001. The governing body of the CRA consists of the Town Council and the Town handles the management and administration of the CRA’s financial matters.

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the CRA have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. This summary of the CRA’s Significant Accounting Policies is presented to assist the reader in interpreting the financial statements and other information in this report. These policies are considered essential and should be read in conjunction with the accompanying financial statements. The more significant of the CRA’s governmental accounting policies are described below:

As defined by 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. Based upon the application of these criteria, the CRA does not have any component units to report.

# JUPITER COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***GOVERNMENT-WIDE FINANCIAL STATEMENTS***

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or identifiable activity is offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or identifiable activity. *Program revenue* includes three categories of transactions: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; (2) operating grants and contributions (none in fiscal year 2022); and, (3) capital grants and contributions (none in fiscal year 2022). Tax increment revenue and other items not meeting the definition of program revenue are reported as *general revenue*. The CRA does not allocate indirect expenses.

#### ***FUND FINANCIAL STATEMENTS***

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

The fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance for the General Fund. Accompanying schedules are presented to reconcile and explain the differences in fund balance and changes in fund balance as presented in these statements, to the net position and changes in net position presented in the government-wide financial statements.

# JUPITER COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *MEASUREMENT FOCUS AND BASIS OF ACCOUNTING*

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

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

The CRA considers revenues to be available if collected within 60 days of the end of the current fiscal year. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt, which is recognized when due. Tax increment revenues, intergovernmental revenues, charges for services and investment income are all considered susceptible to accrual and so have been recognized as revenue in the current fiscal year. All other revenue items are considered to be measurable and available only when received in cash by the CRA.

#### *CASH*

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

#### *ACCOUNTS RECEIVABLE*

Accounts receivable include charges for miscellaneous services. The CRA does not require collateral for such amounts. Accounts receivable are reported net of an allowance for uncollectible accounts, if deemed necessary. No allowance was required as of September 30, 2022. Accounts receivable are written off on an individual basis in the fiscal year the CRA deems them uncollectible. The CRA did not have any accounts receivable balance as of fiscal year end September 30, 2022.

# JUPITER COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***CAPITAL ASSETS***

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

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

#### ***EMPLOYEE AND RELATED BENEFIT COSTS***

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

#### ***DEFERRED OUTFLOWS/INFLOWS OF RESOURCES***

In addition to assets and liabilities, the government-wide Statement of Net Position and the governmental fund Balance Sheet may report a separate section for deferred outflows or deferred inflows of resources. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The CRA has no amounts reported as deferred inflows/outflows of resources on the government-wide Statement of Net Position. The CRA's General Fund has one item, unavailable revenue, which is reported as a deferred inflow of resources on the General Fund Balance Sheet at September 30, 2022.

# JUPITER COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (CONTINUED)*

The unavailable revenue results from a note receivable that will be received over a period of years in the future.

#### *NET POSITION/FUND BALANCE*

The government-wide financial statements utilize a net position presentation, while the governmental fund financial statements report fund balance.

##### *Net Position*

Net position of the government-wide financial statements is categorized as investment in capital assets, restricted or unrestricted. *Investment in capital assets* is that portion of net position that relates to the CRA's net capital assets. There was no outstanding balance of long-term debt used to acquire the capital assets. *Restricted net position* is that portion of net position that has constraints placed on its use by external restrictions imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The CRA had no restricted net position. *Unrestricted net position* consists of net position that does not meet the definition of investment in capital assets or restricted net position.

##### *Fund Balance*

In the fund financial statements, the general fund reports fund balance classifications that comprise a hierarchy based primarily on the extent to which the CRA is legally bound to honor the specific purposes for which amounts in fund balance may be spent. The fund balance classifications are summarized as follows:

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

***Restricted*** - Restricted fund balance includes amounts that are restricted to specific purposes either by 1) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments; or, 2) imposed by law through constitutional provisions or enabling legislation. The CRA had no restricted fund balance.

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



# JUPITER COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

##### *MINIMUM FUND BALANCE POLICY*

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

##### *ESTIMATES*

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

# JUPITER COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *IMPLEMENTATION OF GASB STATEMENTS*

There were no new significant GASB Statements which were implemented by the CRA during the fiscal year ended September 30, 2022.

### NOTE 3 - CASH

Cash at September 30, 2022, consists of deposits with a financial institution with a bank balance and book balance of \$3,633,293. The bank deposits were entirely covered by federal depository insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions that comply with the requirements of Florida Statutes and have been designated as a Qualified Public Depository by the State Treasurer. Qualified public depositories are required to pledge collateral to the State Treasurer with a fair value equal to a percentage of the average daily balance of all government deposits in excess of any federal deposit insurance. In the event of a default by a qualified public depository, the amount of public funds would be covered by the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. Accordingly, the CRA's deposits are considered fully insured or collateralized in accordance with the provisions of GASB Statements.

### NOTE 4 - NOTE RECEIVABLE

During 2013, the CRA closed on the sale of a parcel of land to a private owner and received a note receivable for a portion of the sales price. The note is non-interest bearing and is due in 177 monthly installments of \$800 until fully paid. In lieu of cash payments on the note, the CRA and the private owner agreed that the owner shall pay all ongoing costs associated with the operation and maintenance of a public restroom facility located on the property sold by the CRA and the owner will receive a monthly credit of \$800 against the promissory note. The note receivable balance was \$54,887 at September 30, 2022.

**JUPITER COMMUNITY REDEVELOPMENT AGENCY**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**NOTE 5 - ADVANCE DUE TO THE TOWN OF JUPITER**

The Town’s General Fund and Capital Improvements Fund have advanced \$7,633,899 to the CRA for the purchase of property and the completion of public improvements within the boundaries of the CRA. The Town and the CRA have entered into an interlocal agreement for the repayment of these advances, with interest at 3.0%, through the year ending September 30, 2027. Annual repayments of the advances, including interest, range from approximately \$681,000 in 2022 to \$1.1 million in 2026, with a final payment of \$524,000 due in 2027, and the payments generally increase each year commensurate with the expected increases in the CRA’s tax increment revenues resulting from the redevelopment activities. The outstanding combined advances payable to the General Fund and Capital Improvements Fund totaled \$3,925,700 at September 30, 2022. Future principal payments on this advance are expected to be as follows:

Fiscal Year Ending September 30	Principal	Interest	Total
2023	\$ 681,496	\$ 111,771	\$ 793,267
2024	786,941	91,326	878,267
2025	892,549	67,718	960,267
2026	1,055,816	39,267	1,095,083
2027	<u>508,898</u>	<u>15,267</u>	<u>524,165</u>
<b>Total</b>	<u><u>\$3,925,700</u></u>	<u><u>\$ 325,349</u></u>	<u><u>\$4,251,049</u></u>

Interest paid to the Town’s General Fund and the Capital Improvement Fund during the fiscal year ended September 30, 2022 totaled \$132,057.

# JUPITER COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

### NOTE 6 - CAPITAL ASSETS

The capital asset activity for the fiscal year ended September 30, 2022, was as follows:

	Balance at Beginning of Year	Increases	Decreases	Balance at End of Year
<b>Capital Assets, not being depreciated</b>				
Land	\$ 5,218,551	\$ --	\$ --	\$ 5,218,551
<b>Capital Assets, being depreciated</b>				
Improvements other than buildings	2,146,561	--	--	2,146,561
Infrastructure	1,045,102	6,661	--	1,051,763
Total Depreciable Capital Assets	3,191,663	6,661	--	3,198,324
Less accumulated depreciation:				
Improvements other than buildings	(483,788)	(60,189)	--	(543,977)
Infrastructure	(90,535)	(41,937)	--	(132,472)
Total accumulated depreciation	(574,323)	(102,126)	--	(676,449)
Depreciable Capital Assets, Net of Accumulated Depreciation	2,617,340	(95,465)	--	2,521,875
<b>Total Capital Assets</b>	<b>\$ 7,835,891</b>	<b>\$ (95,465)</b>	<b>\$ --</b>	<b>\$ 7,740,426</b>

Depreciation expense of \$102,126 was charged to general government in the governmental activities statement of activities.

### NOTE 7 - NONCURRENT LIABILITY

The change in the noncurrent liability for the fiscal year ended September 30, 2022, is as follows:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year	Amounts Due Within One Year
Tax increment incentive	\$ 674,893	\$ 181,254	\$ --	\$ 856,147	\$ --

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

# JUPITER COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 8 - FUND DEFICIT

The CRA had a deficit fund balance of \$1,144,497 at September 30, 2022. The majority of this amount represents an advance from the General Fund of the Town used to fund expenditures for property acquired in the CRA district. The advance 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 9 - TAX INCREMENT REVENUES

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

Each governmental entity is required to pay 95% of these incremental property taxes to the CRA. The increase in assessed valuations of property within the CRA boundaries over the 2001 base year valuations is presumed to be the result of the redevelopment efforts of the CRA. The tax base of the CRA is the layer of assessed valuations of properties over the 2001 base year assessed valuations, but does not include any portion of the base. The assessed value of properties subject to incremental property taxes for the fiscal year ended September 30, 2022, was as follows:

Assessed property value as of January 1, 2021	\$ 507,340,089
Assessed property value for 2001 base year	<u>(167,553,151)</u>
Assessed property value subject to incremental property tax	<u>\$ 339,786,938</u>

### NOTE 10 - RELATED PARTY TRANSACTIONS

For the fiscal year ended September 30, 2022, the CRA paid the Town \$743,928 for contractual and other services provided by the Town to the CRA in connection with various administrative and redevelopment activities.

In addition, the CRA received a reimbursement from the Town's General Fund totaling \$270,888 for the fiscal year ended September 30, 2022. The amount was to cover expenses paid by the CRA on behalf of the Town.

# **JUPITER COMMUNITY REDEVELOPMENT AGENCY**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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### **NOTE 11 - COMMITMENTS AND CONTINGENCIES**

#### ***RISK MANAGEMENT***

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

#### ***HARBOURSIDE TAX INCREMENT INCENTIVE AGREEMENT***

The Harbourside Development ("Harbourside") is a \$150 million, Town Center project completed in 2014 and located on approximately 10 acres of waterfront property along the Intracoastal Waterway within the boundaries of the CRA. Pursuant to State statutory authority for public-private partnerships to rehabilitate and develop properties within a Community Development Area, the CRA entered into a tax incentive agreement with the Harbourside developer to provide a rebate of the tax increment funds received by the CRA in future years equal to 50% of the tax increment revenue from the economic development of the Harbourside property, up to \$350,000 annually, for a period of 15 years following completion. The total rebate liability at September 30, 2022 was \$1,560,657 which includes \$704,510 accrued in the Community Redevelopment Fund of the Town and an additional \$856,147 accrued in the statement of net position of the CRA due to the anticipated long-term nature of these payments. The Town settled the litigation with Harbourside in January 2023 and the outstanding balance of the rebate liability will be paid to the developer in fiscal year 2023.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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**JUPITER COMMUNITY REDEVELOPMENT AGENCY**

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

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 2,338,604	\$ 2,407,837	\$ 2,328,345	\$ (79,492)
Charges for services	98,018	98,018	86,382	(11,636)
Investment earnings	1,000	1,000	3,312	2,312
Donations from private developer	--	--	199,778	199,778
Reimbursement from the Town	--	--	270,888	270,888
Miscellaneous revenue	--	--	2,610	2,610
<b>Total Revenues</b>	<u>2,437,622</u>	<u>2,506,855</u>	<u>2,891,315</u>	<u>384,460</u>
<b>Expenditures</b>				
General government	2,055,565	1,390,680	910,521	480,159
Capital outlay	250,000	984,118	6,661	977,457
Interest and fiscal charges	132,057	132,057	132,057	--
<b>Total Expenditures</b>	<u>2,437,622</u>	<u>2,506,855</u>	<u>1,049,239</u>	<u>1,457,616</u>
<b>Net Change in Fund Balance</b>	<u>\$ --</u>	<u>\$ --</u>	1,842,076	<u>\$ 1,842,076</u>
<b>Fund Balance (Deficit) - Beginning</b>			(2,986,573)	
<b>Fund Balance (Deficit) - Ending</b>			<u>\$ (1,144,497)</u>	

*See notes to required supplementary information.*



# **JUPITER COMMUNITY REDEVELOPMENT AGENCY**

## **NOTES TO BUDGETARY COMPARISON SCHEDULE**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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### **NOTE 1 – BUDGETARY ACCOUNTING**

The CRA's adopted General Fund budget is prepared on the modified accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("GAAP"). The budget represents departmental appropriations as authorized by CRA ordinance. Expenditures may not legally exceed budgeted appropriations at the fund level. The Town Manager, acting in his capacity as Executive Director of the CRA, has the authority to approve all budget transfers within a department. Budget transfers between departments and transfers involving appropriation of additional revenues require the approval of the Board of the CRA. Accordingly, the CRA's legal level of budgetary control is at the fund level. Currently, other financing sources (appropriated fund balance) represent expected Transfers In from the Town to the CRA.

For the fiscal year ended September 30, 2022, supplemental budget appropriations of \$69,233 were approved by the CRA Board during the year. Total expenditures may not legally exceed total fund appropriations including any budgeted fund balance from prior years. All annual appropriations lapse at year end. The budget amounts presented reflect the original budget and the amended budget based on legally authorized revisions to the original budget during the year.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriations, is employed as an extension of formal budgetary control. Encumbrances lapse at year end and become obligations of the subsequent year's budget. At September 30, 2022, the CRA had commitments related to unperformed contracts, which have been re-appropriated in the 2022-2023 annual budget.

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

The budgetary comparison schedule for the CRA is prepared under the GAAP basis of accounting used in preparing the appropriated budget. As a result, the revenue and expenditures reported in the budgetary comparison schedule for the CRA agree with that reported on the GAAP basis.

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## **REPORTING SECTION**

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Commissioners and Executive Director  
**Jupiter Community Redevelopment Agency**  
Town of Jupiter, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Jupiter Community Redevelopment Agency (the "Agency"), a component unit of the Town of Jupiter, Florida, as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's financial statements, and have issued our report thereon dated March 28, 2023.

***Internal Control over Financial Reporting***

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency'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 or significant deficiencies may exist that have not been identified.

### ***Compliance and Other Matters***

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

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Marcum LLP*

West Palm Beach, Florida  
March 28, 2023

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

To the Board of Commissioners and Executive Director  
**Jupiter Community Redevelopment Agency**  
Town of Jupiter, Florida

***Report on the Financial Statements***

We have audited the financial statements of the Jupiter Community Redevelopment Agency (the "Agency"), a component unit of the Town of Jupiter, Florida, as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 28, 2023.

***Auditors' Responsibility***

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

***Other Reporting Requirements***

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 28, 2023, should be considered in conjunction with this management letter.

***Prior Audit Findings***

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

***Official Title and Legal Authority***

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

### ***Financial Condition and Management***

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Agency has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Agency did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Agency. It is management's responsibility to monitor the Agency's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. Our assessment was performed as of the fiscal year end.

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

### ***Specific Information for Special Districts***

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Agency reported:

- a. The total number of Agency employees compensated in the last pay period of the Agency's fiscal year as zero.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year as zero.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e. Each construction project with a total cost of at least \$65,000 approved by the Agency that is scheduled to begin on or after October 1 of the fiscal year being reported, together with that total expenditures for such project as follows:
  - a. Riverwalk Connection Project, Final Budget of \$132,765 and actual expenditures of \$0.
  - b. Jupiter Beach Road Project, Final Budget of \$132,765 and actual expenditures of \$6,661.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before beginning of the fiscal year being reported if the Agency amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$69,233.

### ***Additional Matters***

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

### ***Purpose of this Letter***

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Agency Board of Commissioners, Executive Director and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Marcum LLP*

West Palm Beach, Florida  
March 28, 2023

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH  
FLORIDA STATUTES**

To the Board of Commissioners and Executive Director  
Jupiter Community Redevelopment Agency  
**Town of Jupiter, Florida**

We have examined the Jupiter Community Redevelopment Agency (the "Agency"), a component unit of the Town of Jupiter, Florida, compliance with Sections 163.387(6) and 163.387(7), Florida Statutes for the fiscal year ended September 30, 2022. Management of the Agency is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the Agency's compliance with the specified requirements.

In our opinion, the Agency complied, in all material respects, with Sections 163.387(6) and 163.387(7), Florida Statutes for the fiscal year ended September 30, 2022.

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

*Marcum LLP*

West Palm Beach, FL  
March 28, 2023