GOING FURTHER

# TOWN OF JUPITER INLET COLONY, FLORIDA

## ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025

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# FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

# Independent Auditor's Report

**Honorable Mayor and Town Commission**
**Town of Jupiter Inlet Colony, Florida**

## Report on the Audit of the Financial Statements

### *Opinions*

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Jupiter Inlet Colony, Florida (the "Town"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the 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 Town as of September 30, 2025, and the respective changes in financial position for the 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town 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 Town'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.

***Auditor's Responsibility 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Town'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 Town'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 and budgetary comparison information on pages 4 through 8 and 32 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2026, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
June 15, 2026

# Management's Discussion and Analysis

This discussion and analysis of the Town of Jupiter Inlet Colony, Florida (the "Town") provides a narrative overview of the Town's financial activities for the fiscal year ended September 30, 2025. Please read it in conjunction with the Town's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

## FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of $6,905,745.
- The change in the Town's total net position in comparison with the prior fiscal year was an increase of $514,071 from current operations, offset by an adjustment to beginning net position of $51,001 as a result of the implementation of GASB Statement No. 101, *Compensated Absences*. The key components of the Town's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2025, the Town's governmental funds reported combined ending fund balances of $2,148,207, an increase of $870,627 in comparison with the prior fiscal year. The majority of the fund balance is restricted for debt service, infrastructure projects, and administration of the Florida building code ($1,318,747), a portion representing the Town's prepaid items is classified as nonspendable ($57,462) and the remainder is unassigned fund balance ($771,998) which is available for spending at the Town's discretion.

## OVERVIEW OF FINANCIAL STATEMENTS

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

### Government-Wide Financial Statements

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

The statement of net position (page 9) presents information on all of the Town's assets and liabilities, with the residual amount being reported as net position.  Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities (page 10) presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

### OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

The government-wide financial statements include all governmental activities that are principally supported by taxes and special assessments, The Town does not have any business-type activities. The governmental activities of the Town include the general government (management), public safety (Police and Fire), public works, and road and sidewalks functions.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town has one fund category: governmental funds.

**Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflow 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 the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet (page 11) and the governmental fund statement of revenues, expenditures, and changes in fund balances (page 13) provide a reconciliation (pages 12 and 14) to facilitate this comparison between governmental funds and governmental activities.

The Town maintains three governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Neighborhood Rehabilitation Fund and Undergrounding Debt Service Fund, all of which are considered major funds.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund (page 32) to demonstrate compliance with the budget.

**Notes to the Financial Statements**

The notes to the financial statements (pages 15 through 31) provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the Town, assets exceeded liabilities at the close of the most recent fiscal year.

Key components of the Town's net position are reflected in the following table:

**Statement of Net Position**
**As of September 30, 2025 and 2024**

| | 2025 | 2024 |
|---|---|---|
| Current and other assets | $ 7,523,901 | $ 7,408,385 |
| Capital assets, net of depreciation | 4,278,115 | 4,575,848 |
| Total assets | 11,802,016 | 11,984,233 |
| | | |
| Other liabilities | 292,418 | 221,670 |
| Long-term liabilities | 4,841,926 | 5,370,889 |
| Total liabilities | 5,134,344 | 5,592,559 |
| | | |
| Net position: | | |
| Net investment in capital assets | 2,562,688 | 2,643,388 |
| Restricted for infrastructure projects | 18,009 | 8,576 |
| Restricted for building activities | 918,584 | 497,960 |
| Restricted for debt service | 382,154 | 345,205 |
| Unrestricted | 3,024,310 | 2,896,545 |
| Total net position | 6,905,745 | 6,391,674 |
| Total liabilities and net position | $ 12,040,089 | $ 11,984,233 |

The Town's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure) less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the Town's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the Town's other obligations.

The Town's net position increased during the most recent fiscal year as a result of an increase in building activity, generating permit revenue as well as increases in property taxes, operational efficiencies, and investment earnings. These increases outpaced the increase in operating costs and deprecation.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Key elements of the change in net position are reflected in the following table:

**Statement of Activities**
**For the Fiscal Years Ended September 30, 2025 and 2024**

| | 2025 | 2024 |
|---|---|---|
| Revenues | | |
| Program revenues | | |
| Charges for services | $ 798,164 | $ 499,965 |
| General revenues | | |
| Property taxes | 3,434,351 | 2,924,049 |
| Franchise fees | 52,142 | 51,214 |
| Intergovernmental | 143,296 | 139,943 |
| Investment earnings and other | 69,768 | 60,498 |
| Total revenues | 4,497,721 | 3,675,669 |
| | | |
| Operating expenses | | |
| General government | 1,366,208 | 1,128,494 |
| Public safety | 1,881,801 | 1,794,845 |
| Public works | 537,608 | 586,918 |
| Interest expense | 198,033 | 206,997 |
| Total operating expenses | 3,983,650 | 3,717,254 |
| | | |
| Change in net position | 514,071 | (41,585) |
| Net position, beginning | 6,391,674 | 6,433,259 |
| Net position, ending | $ 6,905,745 | $ 6,391,674 |

As noted in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2025 was $3,983,650. The costs of the Town's activities were primarily funded by general revenues. General revenues, comprised primarily of taxes, increased during the fiscal year as a result of an increase in property values. This was combined with an increase in building activity, which generated an increase in permit revenues. In total, expenses increased from the prior fiscal year. The majority of the increase was due to the increase in salaries and benefits and costs associated with implementation of improved procedures and controls.

## Management's Discussion and Analysis

### GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the Town pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Town Commission. The General Fund budget for the fiscal year ended September 30, 2025 was not amended. General fund appropriations exceeded actual expenditures by $319,069 for the fiscal year ended September 30, 2025.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

At September 30, 2025, the Town had $7,181,592 invested in capital assets. In the government-wide financial statements depreciation of $2,903,477 has been taken, which resulted in a net book value of $4,278,115. More detailed information about the Town's capital assets is presented in the notes of the financial statements (Note 7 on page 26).

#### Debt

At September 30, 2025, the Town had $4,555,158 of Notes Payable outstanding for its governmental activities. More detailed information about the Town's debt is presented in the notes of the financial statements (Note 8 on pages 27 and 28).

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

In April of 2026, the Town paid off its 2016 note payable and plans to refinance its remaining debt by the end of fiscal year 2026. The Town does not anticipate any major projects or significant changes to its infrastructure maintenance program for the subsequent fiscal year. In addition, it is anticipated that the general operations of the Town will remain fairly constant.

### REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, landowners, customers, investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Town Manager at the Town of Jupiter Inlet Colony, 50 Colony Road, Jupiter Inlet Colony, Florida 33469-3507.

## STATEMENT OF NET POSITION
## SEPTEMBER 30, 2025

| | Governmental Activities |
|---|---|
| **Assets** | |
| Cash and cash equivalents | $ 1,238,391 |
| Investments | 515,798 |
| Restricted assets: | |
| Cash and cash equivalents | 470,957 |
| Special assessment receivable | 4,993,239 |
| Accrued interest on special assessments | 155,559 |
| Due from other governments | 17,048 |
| Accounts receivable | 75,447 |
| Prepaid items | 57,462 |
| Capital assets: | |
| Non-depreciable | 1,045,719 |
| Depreciable, net | 3,232,396 |
| **Total assets** | $ 11,802,016 |
| **Liabilities** | |
| Accounts payable | $ 171,520 |
| Accrued liabilities | 55,380 |
| Accrued interest payable | 65,518 |
| Noncurrent liabilities | |
| Due within one year | 1,022,063 |
| Due in more than one year | 3,819,863 |
| Total liabilities | 5,134,344 |
| **Net position** | |
| Net investment in capital assets | 2,562,688 |
| Restricted for infrastructure projects | 18,009 |
| Restricted for building activities | 918,584 |
| Restricted for debt service | 382,154 |
| Unrestricted | 3,024,310 |
| Total net position | 6,905,745 |
| **Total liabilities and net position** | $ 12,040,089 |

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

**STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position |
|---|---|---|---|---|---|
| | **Expenses** | **Charges for Services** | **Operating Grants and Contributions** | **Capital Grants and Contributions** | **Governmental Activities** |
| **Functions/programs** | | | | | |
| **Governmental activities** | | | | | |
| General government | $ 1,125,746 | $ - | $ - | $ - | $ (1,125,746) |
| Building department | 240,462 | - | - | - | (240,462) |
| Public safety | 1,881,801 | 683,888 | - | - | (1,197,913) |
| Public works | 314,509 | - | - | - | (314,509) |
| Roads and walkways | 223,099 | - | - | - | (223,099) |
| Interest | 198,033 | 114,276 | - | - | (83,757) |
| **Total governmental activities** | $ 3,983,650 | $ 798,164 | $ - | $ - | (3,185,486) |

| | |
|---|---|
| **General revenues** | |
| Property taxes | 3,434,351 |
| Intergovernmental revenues | 143,296 |
| Franchise fees | 52,142 |
| Investment earnings | 69,318 |
| Miscellaneous | 450 |
| Gain on sale of capital asset | - |
| Total general revenues | 3,699,557 |
| **Change in net position** | 514,071 |
| **Net position, beginning of year, as previously reported** | 6,442,675 |
| Change in accounting principle | (51,001) |
| **Net position, beginning of year, restated** | 6,391,674 |
| **Net position, end of year** | $ 6,905,745 |

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

**BALANCE SHEET –**
**GOVERNMENTAL FUNDS**
**SEPTEMBER 30, 2025**

| | General Fund | Neighborhood Rehabilitation Fund | Undergrounding Debt Service Fund | Total Governmental Funds |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and cash equivalents | $ 1,238,391 | $ - | $ - | $ 1,238,391 |
| Restricted cash and cash equivalents | 94,944 | 351,544 | 24,469 | 470,957 |
| Investments | 515,798 | - | - | 515,798 |
| Accounts receivable | 75,447 | - | - | 75,447 |
| Special assessments receivable | - | 4,571,655 | 421,584 | 4,993,239 |
| Accrued interest on special assessments | - | 139,046 | 16,513 | 155,559 |
| Due from other governments | 17,048 | - | - | 17,048 |
| Due from other funds | 112,122 | 563,170 | 560,607 | 1,235,899 |
| Prepaid items | 57,462 | - | - | 57,462 |
| Total assets | $ 2,111,212 | $ 5,625,415 | $ 1,023,173 | $ 8,759,800 |
| **Liabilities, deferred inflows of resources and fund balances** | | | | |
| Liabilities | | | | |
| Accounts payable | $ 171,520 | $ - | $ - | $ 171,520 |
| Accrued liabilities | 55,380 | - | - | 55,380 |
| Due to other funds | 4,849 | 627,504 | 603,546 | 1,235,899 |
| Total liabilities | 231,749 | 627,504 | 603,546 | 1,462,799 |
| Deferred inflows of resources | | | | |
| Unavailable revenue | - | 4,710,701 | 438,093 | 5,148,794 |
| Fund balances | | | | |
| Nonspendable | 57,462 | - | - | 57,462 |
| Restricted to: | | | | |
| Debt service | 94,944 | 287,210 | - | 382,154 |
| Neighborhood rehabilitation project | - | - | - | - |
| Infrastructure | 18,009 | - | - | 18,009 |
| Administration of the Florida building code | 918,584 | - | - | 918,584 |
| Unassigned | 790,464 | - | (18,466) | 771,998 |
| Total fund balances (deficit) | 1,879,463 | 287,210 | (18,466) | 2,148,207 |
| Total liabilities, deferred inflows of resources, and fund balances | $ 2,111,212 | $ 5,625,415 | $ 1,023,173 | $ 8,759,800 |

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

## RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2025

| | | |
|---|---|---|
| **Fund balances, total governmental funds** | | $ 2,148,207 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole. | | |
| Governmental capital assets | $ 7,181,592 | |
| Accumulated depreciation | (2,903,477) | 4,278,115 |
| Assets recorded in the governmental fund financial statements that are not available to pay for current-period expenditures are unavailable revenue in the governmental funds. | | 5,148,794 |
| Noncurrent liabilities, are not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term are reported in the government-wide financial statements. | | |
| Accrued interest payable | (65,518) | |
| Compensated absences | (36,521) | |
| Notes payable | (4,805,405) | (4,907,444) |
| **Net position of governmental activities** | | $ 6,667,672 |

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

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

| | General Fund | Neighborhood Rehabilitation Fund | Undergrounding Debt Service Fund | Total Governmental Funds |
|---|---|---|---|---|
| **Revenues** | | | | |
| Ad valorem taxes | $ 3,434,351 | $ - | $ - | $ 3,434,351 |
| Franchise fees | 52,142 | - | - | 52,142 |
| Licenses and permits | 669,093 | - | - | 669,093 |
| Charges for services | 14,795 | - | - | 14,795 |
| Fines and forfeitures | 450 | - | - | 450 |
| Interest income | 57,068 | 10,758 | 1,492 | 69,318 |
| Special assessments | - | 596,217 | 200,305 | 796,522 |
| Assessment interest income | - | 115,353 | 18,981 | 134,334 |
| Intergovernmental | 143,296 | - | - | 143,296 |
| Total revenues | 4,371,195 | 722,328 | 220,778 | 5,314,301 |
| **Expenditures** | | | | |
| Current | | | | |
| General government | 1,093,665 | - | 840 | 1,094,505 |
| Building department | 148,927 | - | - | 148,927 |
| Public safety | 1,856,381 | - | - | 1,856,381 |
| Public works | 156,051 | - | - | 156,051 |
| Roads and walkways | 117,929 | 2,240 | - | 120,169 |
| Debt service | | | | |
| Principal | - | 519,328 | 215,964 | 735,292 |
| Interest | 2,151 | 167,739 | 18,864 | 188,754 |
| Capital outlay | 143,595 | - | - | 143,595 |
| Total expenditures | 3,518,699 | 689,307 | 235,668 | 4,443,674 |
| **Excess (deficiency) of revenues over (under) expenditures** | 852,496 | 33,021 | (14,890) | 870,627 |
| **Other financing sources (uses)** | | | | |
| Insurance proceeds | - | - | - | - |
| Proceeds from the sale of capital assets | - | - | - | - |
| Transfers in | - | 2,240 | 20,840 | 23,080 |
| Transfers out | (23,080) | - | - | (23,080) |
| Total other financing sources (uses) | (23,080) | 2,240 | 20,840 | - |
| **Change in fund balances** | 829,416 | 35,261 | 5,950 | 870,627 |
| **Fund balances (deficit), beginning of year** | 1,050,047 | 251,949 | (24,416) | 1,277,580 |
| **Fund balances (deficit), end of year** | $ 1,879,463 | $ 287,210 | $ (18,466) | $ 2,148,207 |

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

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

| | | |
|---|---|---|
| **Net change in fund balances − total governmental funds** | | $ 870,627 |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is depreciated over their estimated useful lives. | | |
| Capital outlay | $ 143,595 | |
| Less current year depreciation | (441,328) | (297,733) |
| Special assessment revenues received at the fund level previously recognized at the entity wide level. | | (816,580) |
| Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities. | | |
| Debt repayments: | | |
| Notes payable | | 735,292 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. | | |
| Change in compensated absences | 31,744 | |
| Change in accrued interest | (9,279) | 22,465 |
| **Change in net position of governmental activities** | | $ 514,071 |

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

## NOTE 1. NATURE OF ORGANIZATION AND REPORTING ENTITY

The Town of Jupiter Inlet Colony (the "Town") was incorporated on June 20, 1959, and the Town's charter was approved by the Laws of Florida 59-1634. The Town operates under the Commission/Mayor form of government. The Town's major operations include general government, public safety (Police and Fire), streets, sanitation, environmental, public works, civil defense, prospective inspections, and general and administrative services.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the Town is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the Town are such that, if excluded, the financial statements of the Town would be considered incomplete or misleading. There are no entities considered to be component units of the Town; therefore, the financial statements include only the operations of the Town.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. *Program revenues* include: (1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; operating-type special assessments for debt service are treated as charges for services, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as *general revenues*.

### Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period, with the exception of property taxes, which the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Fines and permit revenues are not susceptible to accrual because generally, they are not measurable until received in cash. Taxes, special assessments, franchise fees, licenses, interest revenue, intergovernmental revenues, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

**General Fund**
The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

**Neighborhood Rehabilitation Capital Projects Fund**
The Neighborhood Rehabilitation Capital Projects Fund is used to account for the proceeds from the special assessment and pay the construction cost of the neighborhood rehabilitation project (the "Project") and repay the note payable with TD Bank. The Project included: (a) construction of a gravity sewer system, (b) rehabilitation of and improvements to the existing storm water system, (c) road restoration, and (d) reconfiguration of the entry road.

**Undergrounding Debt Service Fund**
The Undergrounding Debt Service Fund is used to account for the accumulation of resources for the annual payment of principal and interest on the note payable with TD Bank.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

**Undergrounding Debt Service Fund (Continued)**
When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

**Assets, Liabilities and Net Position or Equity**

**Restricted Assets**
These assets represent cash and investments set aside pursuant to note covenants or other contractual restrictions.

**Deposits and Investments**
The Town's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

The Town has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415(17), Florida Statutes. The Town may invest any surplus public funds in the following:

a. The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
b. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
c. Interest bearing time deposits or savings accounts in qualified public depositories;
d. Direct obligations of the U.S. Treasury.

The State Board of Administration's ("SBA") Local Government Surplus Funds Trust Fund ("Florida PRIME") is a"2a-7 like" pool. A "2a-7 like" pool is an external investment pool that is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, which comprises the rules governing money market funds. Thus, the pool operates essentially as a money market fund. The Town has reported its investment in Florida PRIME at amortized cost, which approximates fair value, for financial reporting purposes.

Securities listed in paragraphs c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

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

**Assets, Liabilities and Net Position or Equity (Continued)**

**Deposits and Investments (Continued)**
The Town records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

**Capital Assets**
Capital assets which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $750 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

| Assets | Years |
|---|---|
| Buildings and improvements | 10 - 40 |
| Infrastructure | 15 - 50 |
| Equipment | 3 - 10 |

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

**Unearned Revenue**
Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

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

**Assets, Liabilities and Net Position or Equity (Continued)**

**Compensated Absences**

Compensated absences are absences for which employees will be paid, such as vacation, sick leave, and compensatory time. A liability for compensated absences that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place. All vacation, sick leave, and compensatory time leave is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if it has matured, for example, as a result of employee resignations and retirements.

Town employees accrue sick time at a rate of four hours per pay period. Employees are not entitled to any payout or compensation for accrued and unused sick leave at the time the employee retires or otherwise leaves the employment of the Town.

Town employees earn vacation time on a bi-weekly basis at a rate determined by the employee's years of service. Employees with one to four years of service earn 10 days of vacation time; employees with five to nine years of service earn 15 days of vacation; and employees with 10 or more years of service earn 20 days of vacation per year. Town employees may accrue up to a maximum of 30 days (240 hours) of vacation time, after which, no additional time may be accrued. Upon properly noticed resignation, an employee will be paid for accrued and used vacation time.

As of January 2025, non-exempt employees of the Town may also earn compensatory time. Compensatory time must be used with 30 days after being earned. Employees are not entitled to any payout for accrued and unused compensatory time upon separation of service.

Payments are generally paid out of the General Fund.

**Long-Term Obligations**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized ratably over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

**Assets, Liabilities and Net Position or Equity (Continued)**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**Fund Equity/Net Position**

In the fund financial statements, governmental funds report nonspendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The Town can establish limitations on the use of fund balance as follows:

*Committed fund balance* – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

*Assigned fund balance* – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The Town first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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

### Assets, Liabilities and Net Position or Equity (Continued)

**Fund Equity/Net Position (Continued)**

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Restricted net position represents the assets restricted by the Town's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

### Property Taxes

Under Florida law, the assessment of all properties and the collection of County, Municipal, School Board, and Special District property taxes are consolidated with the County Property Appraiser and County Tax Collector, respectively. All property is reassessed according to its fair market value on January 1 of each year and each assessment roll is submitted to the State Department of Revenue for review to determine if the assessment roll meets all of the appropriate requirements of state law.

Taxes may be paid less a 4% discount in November or at declining discounts each month through the month of February. All unpaid taxes become delinquent on April 1st following the year in which they are assessed. Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1st following the tax year, certificates are offered for sale for all delinquent taxes on real property. After sale, tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificate may be made by the certificate holder after a period of two years. Unsold certificates are held by the county. Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations.

During 2007, the Florida Legislature passed property tax reform legislation limiting the property tax levies of local governments. The maximum tax levy allowed by a majority vote of the governing body is based on a percentage reduction applied to the prior year property tax revenue. The percentage reduction is calculated based on the compound annual growth rate in the per capita property taxes levied. The law allows local governments to adopt a higher millage rate based on the following approval of the governing body: (1) a majority vote to adopt a rate equal to the prior year rolled-back millage rate, plus an adjustment for growth in per capita personal income; (2) a two-thirds vote to adopt a rate equal to the prior year adjusted millage rate plus 10%; or (3) any millage rate approved by unanimous vote or referendum. Future property tax growth is limited to the annual growth rate of per capita personal income, which is currently 3% to 4%, plus the value of new construction.

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

### Other Disclosures

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

## NOTE 3. BUDGETARY INFORMATION

The Town is required to establish a budgetary system and an approved annual budget. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. All annual appropriations lapse at fiscal year-end.

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

a. Prior to August 1, the Mayor submits to the Town Commission a proposed operating budget for the fiscal year commencing the following October 1.
b. Public hearings are conducted to obtain public comments.
c. Prior to October 1, the budget is legally adopted by the Town Commission.
d. Changes or amendments to the total budgeted appropriations must be approved by the Town Commission. Accordingly, the legal level of control is at the fund level.
e. The budgets are adopted on a basis consistent with generally accepted accounting principles.
f. Unused appropriation for annually budgeted funds lapse at the end of the year.

## NOTE 4. DEPOSITS AND INVESTMENTS

### Deposits

The Town's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

## NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

### Investments

The Town's investments were held as follows at September 30, 2025:

| | Amortized Cost | Credit Risk | Weighted Average Maturity |
|---|---|---|---|
| Florida PRIME | $ 515,798 | AAAm | 47 days |
| Total | $ 515,798 | | |

**Credit Risk**
For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

**Concentration Risk**
The Town places no limit on the amount the Town may invest in any one issuer.

**Interest Rate Risk**
The Town does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

However, the Bond Indenture limits the type of investments held using unspent proceeds.

**Fair Value Measurement**
When applicable, the Town measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

Level 1: Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the Town has the ability to access;

Level 2: Investments whose inputs – other than quoted market prices – are observable either directly or indirectly; and,

Level 3: Investments whose inputs are unobservable.

## NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

**Investments (Continued)**

**Fair Value Measurement (Continued)**

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

For external investment pools that qualify to be measured at amortized cost, the pool's participants should also measure their investments in that external investment pool at amortized cost for financial reporting purposes. Accordingly, the Town's investments have been reported at amortized cost above.

## NOTE 5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivables and payables at September 30, 2025 were as follows:

| | Receivable | Payable |
|---|---|---|
| General Fund | $ 112,122 | $ 4,849 |
| Neighborhood Rehabilitation Fund | 563,170 | 627,504 |
| Undergrounding Debt Service Fund | 560,607 | 603,546 |
| | $ 1,235,899 | $ 1,235,899 |

The outstanding balances between funds result primarily from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made. In the case of the Town, the balances relate to various project costs paid by the General Fund to be reimbursed by the respective funds.

Interfund transfers for the fiscal year ended September 30, 2025 were as follows:

| | Transfer In | Transfer Out |
|---|---|---|
| General Fund | $ - | $ 23,080 |
| Neighborhood Rehabilitation Fund | 2,240 | - |
| Undergrounding Debt Service Fund | 20,840 | - |
| | $ 23,080 | $ 23,080 |

Transfers from the General Fund to the capital projects and debt service fund were for the General Fund portion of the special assessments related to projects within those funds.

## NOTE 6. SPECIAL ASSESSMENTS

The special assessments were calculated using a methodology that fairly and reasonably apportions the cost of the projects among the benefitted parcels in proportion to the benefits to such parcels. The calculation methodology used an equivalent benefit unit assigned for three categories: (1) improved safety, (2) improved reliability, and (3) improved aesthetics.

**Undergrounding Special Assessment**

On January 18, 2011, the Town adopted Resolution 2011-1, levying non-ad valorem special assessments on properties specially benefitted by a capital improvement project to place underground the overhead electric, cable television, and telephone utility facilities that serve a portion of the Town and its inhabitants.

Assessments shall be payable in 15 yearly installments. The amount assessed was $2,496,860. See Note 8 for a discussion of the related financing for the project.

**Neighborhood Rehabilitation Project Special Assessment**

On October 24, 2016, the Town adopted Resolution 2016-12, levying non-ad valorem special assessments on properties specially benefitted by a capital improvement project to construct a sanitary sewer system and drainage upgrades serving the Town and its inhabitants.

Assessments shall be prepaid in full or payable in 15 yearly installments, starting in the fiscal year ending September 30, 2019. The amount assessed was $9,550,000. See Note 8 for a discussion of the related financing for the project.

## NOTE 7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2025 was as follows:

| | Balance October 1 | Increases | Decreases | Balance September 30 |
|---|---|---|---|---|
| Capital assets, not being depreciated: | | | | |
| Land | $ 940,754 | $ - | $ - | $ 940,754 |
| Construction in progress | 7,500 | 104,965 | (7,500) | 104,965 |
| Total capital assets, not being depreciated | 948,254 | 104,965 | (7,500) | 1,045,719 |
| Capital assets, being depreciated | | | | |
| Buildings and improvements | 620,353 | 12,479 | 7,500 | 640,332 |
| Infrastructure | 4,952,094 | - | - | 4,952,094 |
| Equipment | 517,296 | 26,151 | - | 543,447 |
| Total capital assets, being depreciated | 6,089,743 | 38,630 | 7,500 | 6,135,873 |
| Less accumulated depreciation for | | | | |
| Buildings and improvements | (195,932) | (27,405) | - | (223,337) |
| Infrastructure | (1,952,561) | (354,306) | - | (2,306,867) |
| Equipment | (313,656) | (59,617) | - | (373,273) |
| Total accumulated depreciation | (2,462,149) | (441,328) | - | (2,903,477) |
| Total capital assets, being depreciated, net | 3,627,594 | (402,698) | 7,500 | 3,232,396 |
| Total capital assets, net | $ 4,575,848 | $ (297,733) | $ - | $ 4,278,115 |

Depreciation expense was charged to function/programs as follows:

| | |
|---|---|
| Depreciation allocation: | |
| General government | $ 127,488 |
| Public safety - police | 52,452 |
| Public works | 158,458 |
| Roads and walkways | 102,930 |
| Total | $ 441,328 |

## NOTE 8. LONG-TERM LIABILITIES

### Loans Payable from Direct Borrowings and Direct Placements

*2016 TD Bank Promissory Note for Undergrounding*
The Town Commission adopted Resolution No. 2016-20 authorizing the issuance of a note in the amount of $2,191,750 to refund the SunTrust Undergrounding Note. The Town has levied a non-ad valorem special assessment against the properties specifically benefited by the project in accordance with Resolution No. 2011-1, and these revenues are pledged for the payment of debt service on the note. The note also requires the Town to budget sufficient non-ad valorem revenues to pay the principal and interest on the note if the pledged revenue is not adequate. Principal and interest payments are due annually in the amount of $225,312, with a final maturity date of April 1, 2027. The interest rate on the loan is 2.37% and is subject to adjustment in the event of taxability of the interest on this note. For the fiscal year ended September 30, 2025 pledged revenues were $219,286. Principal and interest paid for the year was $234,833 and principal and interest to maturity is $463,370.

*2017 TD Bank Promissory Notes for Neighborhood Rehabilitation Project*
The Town Commission adopted Resolution No. 2016-13, subsequently amended by Resolution 2016-19, authorizing the issuance of two notes in the amount of $4,763,333 and $3,000,000 to fund the Neighborhood Rehabilitation Project. The project includes construction of a gravity sewer system, rehabilitation of and improvements to the existing storm water system, road restoration, and reconfiguration of the entry road. The Town has levied a non-ad valorem special assessment against the properties specifically benefited by the project in accordance with Resolution No. 2016-12, and these revenues are pledged for the payment of debt service on the notes. The notes also require the Town to budget sufficient non-ad valorem revenues to pay the principal and interest on the notes if the pledged revenue is not adequate.

For the $4,763,333 note, interest payments are payable on June 1 and December 1 and principal payments are due on December 1. Total annual payments are $418,620, with a final maturity date of December 18, 2026. The interest rate on the loan is 2.94% and is subject to adjustment in the event of taxability of the interest on this note.

For the $3,000,000 note, interest payments are payable on June 1 and December 1 and principal payments are due on December 1. Total annual payments are $268,442, with a final maturity date of December 18, 2026. The interest rate on the loan is 3.19% and is subject to adjustment in the event of taxability of the interest on this note.

For the fiscal year ended September 30, 2025, pledged revenues were $711,570. Principal and interest paid for the year was $687,062 and principal and interest to maturity is $4,091,788.

### Note Compliance

The notes have established certain coverage ratios and reserve requirements that are in place until fully paid. For the fiscal year ended September 30, 2025, the notes were in compliance with these requirements.

## NOTE 8. LONG-TERM LIABILITIES (CONTINUED)

### Long-Term Debt Activity

Changes in long-term liability activity for the fiscal year ended September 30, 2025 were as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Amounts Due Within One Year |
|---|---|---|---|---|---|
| Direct borrowings: | | | | | |
| 2016 Note payable | $ 666,417 | $ - | $ (215,971) | $ 450,446 | $ 450,446 |
| 2017 Note payable | 4,624,033 | - | (519,321) | 4,104,712 | 535,096 |
| Compensated absences | 80,439 | - | (31,744) | 48,695 | 36,521 |
| Total governmental activities | $ 5,370,889 | $ - | $ (767,036) | $ 4,603,853 | $ 1,022,063 |

At September 30, 2025, the scheduled debt service requirements on the long-term debt were as follows:

| Fiscal Year | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ 985,542 | $ 162,244 | $ 1,147,786 |
| 2027 | 3,569,616 | 105,215 | 3,674,831 |
| Total | $ 4,555,158 | $ 267,459 | $ 4,822,617 |

## NOTE 9. DEFINED CONTRIBUTION PLAN

On October 7, 1996, the Town authorized the establishment of a 403(b) plan (the "Plan"); in April 2006, the Plan was converted to a 401(a) plan. All full-time employees who have completed one year of uninterrupted service from the date of hire are eligible to participate in the Plan. This defined contribution pension plan is administered by Florida Municipal Pension Trust Fund, which is a third-party administrator. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. The Town's contribution percentage is 12% of the employee's yearly salary, paid quarterly. The Town's contribution for each employee and investment earnings allocated to the employee's account vest immediately. Employees are eligible for normal retirement upon attainment of the age of 59 ½.

The Town's total payroll for the fiscal year ended September 30, 2025 was $920,592, with covered payroll of $739,341. The Town's pension expense for the year was $108,107, equaling 15% of covered payroll.

There were no forfeitures during the year and payables at September 30, 2025 were $3,711.

## NOTE 10. INTERLOCAL AGREEMENTS

**Village of Tequesta**

On August 19, 2003, the Town entered into an agreement with the Village of Tequesta whereby the Village of Tequesta will provide the Town with emergency fire and medical services. The term of the agreement was for ten years beginning on October 1, 1993 and extending through September 30, 2003. The agreement was amended on July 30, 2002 which extended the term for an additional ten years until September 30, 2015. The agreement was amended again on August 14, 2013 for 20 years on October 1, 2013, and extending through September 30, 2033. For the first five years of the revised agreement the annual fee shall be $400,000 per year. For years six through ten the annual fee shall be an amount equal to the previous years annual fee increased by 4%. For years 11 through 20, the annual fee shall be an amount equal to the previous years annual fee increased by 6%. The current fiscal year annual service fee the Town paid under the agreement was $546,812.

**City of Palm Beach Gardens**

On September 13, 2012, the Town entered into an agreement with the City of Palm Beach Gardens whereby the City of Palm Beach Gardens will provide the Town public safety dispatch services. The term of the agreement was for four years beginning on October 1, 2012 and extending through September 30, 2022. The agreement was renewed for an additional five-year term though September 30, 2027. The fee for each year under the contract will be based upon the budget of the North County Dispatch Center (NCDC) prorated to each contracting municipality based on that municipalities cost share. If at the end any contract year a budget shortfall exists, each contracting municipality shall pay its share of the shortfall. Conversely, if at the end of any contract year a budget surplus exists, such surplus shall represent a committed fund balance to be utilized specifically for NCDC budgetary purposes. The current fiscal year annual service fee the Town paid under the agreement was $23,900.

## NOTE 11. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Town has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. No settlement exceeded insurance coverage during the past three years.

The Town is covered by Florida Statutes under the Doctrine of Sovereign Immunity which effectively limits the amount of liability of municipalities to individual claims of $200,000/$300,000 for all claims relating to the same incident. However, under certain circumstances, a plaintiff can seek to recover damages in excess of statutory limits by introducing a claims bill to the Florida Legislature. The limits addressed in Florida Statutes do not apply to claims filed in federal courts.

## NOTE 12. LITIGATION AND CLAIMS

The Town is involved in various claims and litigation arising in the ordinary course of operations, none of which, in the opinion of the Town, will not have a material effect on the Town's financial position.

## NOTE 13. PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED

**GASB Statement No. 103, *Financial Reporting Model Improvements***

The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues.

The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

**GASB Statement No. 104, *Disclosure of Certain Capital Assets***

State and local governments are required to provide detailed information about capital assets in notes to financial statements. Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, requires certain information regarding capital assets to be presented by major class. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets.

This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this statement requires intangible assets other than those three types to be disclosed separately by major class.

This statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if: (a) the government has decided to pursue the sale of the capital asset, and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose: (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

## NOTE 13. PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED (CONTINUED)

**GASB Statement No. 105, *Subsequent Events***

The primary objective of this statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users.

This statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This statement describes the date the financial statements are available to be issued as the date at which: (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles, and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This statement also requires the date through which subsequent events have been evaluated to be disclosed.

This statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events..

## NOTE 14. SUBSEQUENT EVENTS

The Town has evaluated subsequent events through June 15, 2026 the date which the financial statements were available to be issued.

# REQUIRED SUPPLEMENTARY INFORMATION

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| **Revenues** | | | | |
| Ad valorem taxes | $ 3,449,766 | $ 3,449,766 | $ 3,434,351 | $ (15,415) |
| Franchise fees | 41,497 | 41,497 | 52,142 | 10,645 |
| Licenses and permits | 355,200 | 355,200 | 669,093 | 313,893 |
| Charges for services | 18,060 | 18,060 | 14,795 | (3,265) |
| Fines and forfeitures | 2,600 | 2,600 | 450 | (2,150) |
| Interest | 52,000 | 52,000 | 57,068 | 5,068 |
| Intergovernmental | 376,400 | 376,400 | 143,296 | (233,104) |
| Total revenues | 4,295,523 | 4,295,523 | 4,371,195 | 75,672 |
| **Expenditures** | | | | |
| Current | | | | |
| General government | 1,166,597 | 1,166,597 | 1,093,665 | 72,932 |
| Building department | 175,000 | 175,000 | 148,927 | 26,073 |
| Public safety | 1,840,071 | 1,840,071 | 1,856,381 | (16,310) |
| Public works | 136,000 | 136,000 | 156,051 | (20,051) |
| Roads and walkways | 445,100 | 445,100 | 117,929 | 327,171 |
| Capital outlay | 75,000 | 75,000 | 143,595 | (68,595) |
| Debt service | - | - | 2,151 | (2,151) |
| Total expenditures | 3,837,768 | 3,837,768 | 3,518,699 | 319,069 |
| **Excess of revenues over expenditures** | 457,755 | 457,755 | 852,496 | 394,741 |
| **Other financing sources (uses)** | | | | |
| Proceeds from sale of capital assets | 5,000 | 5,000 | - | (5,000) |
| Transfers out | - | - | (23,080) | (23,080) |
| Total other financing sources (uses) | 5,000 | 5,000 | (23,080) | (28,080) |
| **Change in fund balance** | 462,755 | 462,755 | 829,416 | 366,661 |
| **Fund balance, beginning of year** | 1,050,047 | 1,050,047 | 1,050,047 | - |
| **Fund balance, end of year** | $ 1,512,802 | $ 1,512,802 | $ 1,879,463 | $ 366,661 |

# NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
# FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

## NOTE 1. BUDGETARY CONTROL

The Town is required to establish a budgetary system and an approved Annual Budget for the General Fund. The Town's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Town Commission. The General Fund budget for the fiscal year ended September 30, 2025 was not amended.

# OTHER INDEPENDENT AUDITOR'S REPORTS

MAULDIN & JENKINS
CPAs & ADVISORS

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

**Honorable Mayor and Town Commission**
**Town of Jupiter Inlet Colony, Florida**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Town of Jupiter Inlet Colony, Florida (the "Town"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated June 15, 2026.

**Report on Internal Control Over Financial Reporting**

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

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

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

## Report on Compliance and Other Matters

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

## Purpose of this Report

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

Mauldin & Jenkins, LLC

Bradenton, Florida
June 15, 2026

**SCHEDULE OF FINDINGS AND RESPONSES**
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

## SECTION I
## SUMMARY OF AUDIT RESULTS

***Financial Statements***

| | |
|---|---|
| Type of report the auditor issued on whether the Financial statement audited were presented in accordance with GAAP: | Unmodified |
| Internal control over financial reporting:<br>Material weaknesses identified? | _____ Yes __X__ No |
| Significant deficiency identified not considered to be material weaknesses? | _____ Yes __X__ None reported |
| Noncompliance material to financial statements noted? | _____ Yes __X__ No |

***Federal Awards and State Financial Assistance***

There was not an audit of major federal award programs or state financial assistance projects in the current year due to expenditures being less than $1,000,000 for federal awards and $750,000 of state financial assistance.

## SECTION II
## FINANCIAL STATEMENT FINDINGS AND RESPONSES

None noted.

## SECTION III
## FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

**SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)**
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

## SECTION IV
## STATUS OF PRIOR YEAR AUDIT FINDINGS

**2024-001. Purchasing Cards and Payroll Disbursements – Material Weakness**

**Criteria:** Internal controls should be in place to provide reasonable assurance that all transactions are recorded in accordance with accounting principles generally accepted in the United States of America.

**Condition:** During our testing of the Town's purchasing card process and payroll, we noted the following deficiencies:

- The Town was unable to provide the April 2024 purchasing card statements to us for testing. This limited our ability to test transactions covering this timeframe.
- There was no documentation of an independent review and approval for 25 of 25 transactions selected for testing.
- Per review of the purchasing card agreement, two of the cardholders were not listed as approved users.
- Per review of Town payroll records, we noted payroll disbursements to an individual which were not authorized and approved via the normal payroll process

We also noted that the Town performed a forensic audit from an outside Firm during the year, which revealed $13,529 in improper and unauthorized disbursements made during the year.

**Status:** Resolved.

MAULDIN & JENKINS
CPAs & ADVISORS

# Independent Auditor's Management Letter

**Honorable Mayor and Town Commission**
**Town of Jupiter Inlet Colony, Florida**

**Report on the Financial Statements**

We have audited the financial statements of the Town of Jupiter Inlet Colony, Florida (the “Town”) as of and for the fiscal year ended September 30, 2025 and have issued our report thereon dated June 15 2026.

**Auditor’s 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 Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards;* Schedule of Findings and Responses; and Independent Accountant’s 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 and schedule, which are dated June 15, 2026, 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. Corrective action has been taken to address the finding and 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. The legal authority is disclosed in the notes 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 Town met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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.

**Property Assessed Clean Energy (PACE) Programs**

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the Town's geographical boundaries during the fiscal year under audit.

**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 which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

**Purpose of this Letter**

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

Mauldin & Jenkins, LLC

Bradenton, Florida
June 15, 2026

# Independent Accountant's Report

**Honorable Mayor and Town Commission**
**Town of Jupiter Inlet Colony, Florida**

We have examined the Town of Jupiter Inlet Colony, Florida (the "Town") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2025. Management of the Town is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, 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 Town's compliance with specified requirements.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

This report is intended solely for the information and use of the Town and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
June 15, 2026

MAULDIN & JENKINS, LLC • 1401 MANATEE AVENUE WEST, SUITE 1200 • BRADENTON, FLORIDA 34205
941-747-4483 • FAX 941-747-6035 • www.mjcpa.com