



**TOWN OF JUPITER
POLICE OFFICERS' RETIREMENT FUND**

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

**TOWN OF JUPITER
POLICE OFFICERS' RETIREMENT FUND**

YEAR ENDED SEPTEMBER 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Town of Jupiter Police Officers' Retirement Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Town of Jupiter Police Officers' Retirement Fund, which comprise the statement of fiduciary net position as of September 30, 2024, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Town of Jupiter Police Officers' Retirement Fund as of September 30, 2024, and the changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Town of Jupiter Police Officers' Retirement Fund 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 opinion.

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 of Jupiter Police Officers' Retirement Fund'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.

INDEPENDENT AUDITOR'S REPORT (Continued)**Auditor's 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 auditor's report that includes our opinion. 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 Town of Jupiter Police Officers' Retirement Fund'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 of Jupiter Police Officers' Retirement Fund'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.

INDEPENDENT AUDITOR'S REPORT (Continued)**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-8 and the schedules of contributions from employers and other contributors, schedule of investment returns and schedules of changes in the employer's net pension liability (asset) and related ratios on pages 27-30 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Jupiter Police Officers' Retirement Fund's basic financial statements. The accompanying schedules of investment and administrative expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Prior Year Comparative Information

We have previously audited the Town of Jupiter Police Officers' Retirement Fund's 2023 financial statements, and our report dated February 5, 2024, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

INDEPENDENT AUDITOR'S REPORT (Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2025, on our consideration of the Town of Jupiter Police Officers' Retirement Fund'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 of Jupiter Police Officers' Retirement Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Jupiter Police Officers' Retirement Fund's internal control over financial reporting and compliance.

KSDT CPA

Weston, Florida
February 24, 2025

TOWN OF JUPITER POLICE OFFICERS' RETIREMENT FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial report presents Management's Discussion and Analysis (MD&A) of the Town of Jupiter Police Officers' Retirement Fund's (the Plan) financial performance. This analysis provides an overview of the financial activities and funding conditions for the fiscal year ended September 30, 2024. Please read it in conjunction with the Plan's financial statements, which immediately follow.

Overview of the Financial Statements

The financial section of this annual report consists of five parts: MD&A, the basic financial statements, notes to the financial statements, supplementary information and required supplementary information.

The financial statements provide both long-term and short-term information about the Plan's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other and required supplementary information that further explains and supports the information in the financial statements.

The Plan's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). Under GAAP, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred and appreciation (depreciation) of assets is recognized in the statement of changes in fiduciary net position. All assets and liabilities associated with the operation of the Plan are included in the statement of fiduciary net position.

The statement of fiduciary net position reports fiduciary net position and how it has changed. A net asset is the difference between the asset and any related liabilities. It is one measurement of the financial health or current position of the Plan.

Financial Highlights

The Plan's net results from operations for fiscal year 2024 reflected the following financial activities:

- Total net position restricted for pensions was \$114,076,432, which was 21% greater than the 2023 net position restricted for pensions, with the increase due primarily to favorable market conditions.
- Total contributions for the year were \$4,852,191, which was 8% greater than the 2023 contributions. The amount of employer contributions varies from year to year and is actuarially determined. Participant contributions are 7.56% to 8.78% of salary effective October 1, 2012, 9.25% effective October 1, 2014, and 10.0% thereafter for tier one participants, and 10.0% of salary for tier two participants.
- Interest and dividend income was \$2,878,807, which was 42% greater than the 2023 income.
- Net investment income was \$19,952,392, which was 152% greater than the 2023 net investment income, with the increase due primarily to favorable market conditions.
- Benefits payments were \$4,018,398, which was 6% greater than the payments during 2023, with the increase due primarily to new retirees for the year

TOWN OF JUPITER
POLICE OFFICERS' RETIREMENT FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Fiduciary Net Position

The following condensed comparative statement of fiduciary net position is a snapshot of account balances at the fiscal year end of the Plan. It reports the assets available for future payments to retirees and any current liabilities that are owed as of the financial statement date. The resulting net asset value, or assets minus liabilities, represents the value of assets held in trust for Plan benefits.

The Plan continues to be evaluated for actuarial soundness by the actuary of the Plan. It should be noted that retirement system funding is based on a long-term perspective and that temporary fluctuations in the market are to be expected.

- Net position restricted for pensions as of September 30, 2024 was \$114,076,432, a 21% increase from the net position restricted for pensions as of September 30, 2023.
- Total investments as of September 30, 2024 were \$113,618,783, a 21% increase from the investments as of September 30, 2023.

The table below presents condensed comparative statements of fiduciary net position as of September 30:

	2024	2023	% Change
Receivables	\$ 502,984	\$ 515,868	(2%)
Prepaid expense	-	2,954	(100%)
Investments, at fair value	113,618,783	93,982,883	21%
Total assets	114,121,767	94,501,705	21%
Accounts payable	38,767	21,891	77%
Accounts payable - purchase of investments	6,568	191,712	(97%)
Total liabilities	45,335	213,603	(79%)
Total net position restricted for pensions	\$ 114,076,432	\$ 94,288,102	21%

Statement of Changes in Fiduciary Net Position

The statement of changes in fiduciary net position presents the effect of Plan transactions that occurred during the fiscal year. On the statement, additions to the Plan minus deductions from the Plan equal net increase or decrease in fiduciary net position.

The funding objective is to meet long-term obligations and fund all Plan benefits.

- Revenues (additions to the fiduciary net position) for the Plan were \$24,804,943, which was made up of total contributions of \$4,852,191, plus net investment income of \$19,952,392, plus other income of \$360.
- Expenses (deductions from the fiduciary net position) decreased from \$5,547,944 during 2023, to \$5,016,613 in 2024.

TOWN OF JUPITER POLICE OFFICERS' RETIREMENT FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Changes in Fiduciary Net Position (Continued)

The table below presents a condensed comparative of the changes in fiduciary net position for the years ended September 30:

	2024	2023	% Change
Total contributions	\$ 4,852,191	\$ 4,492,747	8%
Net investment income	19,952,392	7,905,835	152%
Other income	360	1,628	(78%)
Total additions	24,804,943	12,400,210	100%
Total deductions	5,016,613	5,547,944	(10%)
Net change	19,788,330	6,852,266	189%
Net position restricted for pensions – beginning	94,288,102	87,435,836	8%
Net position restricted for pensions – ending	\$ 114,076,432	\$ 94,288,102	21%

Asset Allocation

The table below indicates the Plan investment policy limitations and actual asset allocations as of September 30, 2024:

Type of Investment	Investment Policy	Actual Allocation
Domestic equity	26%-46%	42%
International equity	10%-20%	10%
Convertible equity	3%-7%	5%
Fixed income and TIPS	20%-64%	33%
REITs	0%-5%	3%
Private real estate	0%-7%	3%
Alternatives	0%-8%	0%
Cash	0%-5%	4%

The investment guidelines provide for the appropriate diversification of the portfolio. Investments have been diversified to the extent practicable to control the risk of loss resulting from over-concentration of a specific maturity, issuer, instrument, dealer or bank through which financial instruments are bought and sold.

The Board of Trustees (the Board) recognizes that some risk must be assumed to achieve the Plan's long-term investment objectives. In establishing risk tolerances, the Plan's ability to withstand short and intermediate term variability has been considered. However, the Plan's financial condition enables the Board to adopt a long-term investment perspective.

Investment Activities

Investment income is vital to the Plan for current and future financial stability. Therefore, the Board has a fiduciary responsibility to act prudently when making Plan investment decisions. To assist the Board in this area, the Board retains investment managers who supervise and direct the investment of the assets. The Board also retains an investment monitor to evaluate and report on a quarterly basis compliance by the investment managers with the investment policy of the Board and investment performance of the Plan. The investment policy statement was last amended on May 13, 2024.

**TOWN OF JUPITER
POLICE OFFICERS' RETIREMENT FUND**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Investment Activities (Continued)

The Board and its investment consultant review portfolio performance in compliance with the investment policy statement quarterly. Performance is evaluated both individually by money manager style and collectively by investment type and for the aggregate portfolio.

Financial Analysis Summary

The investment activities, for the fiscal year ended September 30, 2024 are a function of the underlying market, money managers' performance and the investment policy's asset allocation model. The Plan has consistently implemented a high quality, conservative approach.

Contacting the Plan's Financial Management

This financial analysis is designed to provide the Board, Plan participants and the marketplace credit analysts with an overview of the Plan's finances and the prudent exercise of the Board's oversight. If you have any questions regarding this report or you need additional financial information, please contact the administrator of the Plan:

Town of Jupiter Police Officers'
Retirement Fund
c/o Resource Centers, LLC
4360 Northlake Boulevard, Suite 206
Palm Beach Gardens, FL 33410

**TOWN OF JUPITER
POLICE OFFICERS' RETIREMENT FUND**

STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2024
(WITH COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
RECEIVABLES:		
Accrued investment income	\$ 241,598	\$ 188,170
Accounts receivable - sale of securities	261,386	327,698
TOTAL RECEIVABLES	<u>502,984</u>	<u>515,868</u>
PREPAID EXPENSE	<u>-</u>	<u>2,954</u>
INVESTMENTS, AT FAIR VALUE:		
Common stocks	11,000,207	10,282,317
Equity mutual funds	42,485,790	32,528,298
International equity mutual fund	11,288,854	13,893,134
Real estate investment trust index fund	3,438,841	2,672,327
U.S. Government treasury securities	3,724,398	1,351,894
U.S. Government agency securities	19,105,780	13,238,942
Certificates of deposit	1,224,714	806,401
Corporate bonds	10,139,519	7,618,550
Foreign bonds	1,221,326	1,267,697
Asset-backed bonds	1,572,385	366,343
Real estate fund	3,940,679	5,517,222
Money market funds	4,476,290	4,439,758
TOTAL INVESTMENTS, AT FAIR VALUE	<u>113,618,783</u>	<u>93,982,883</u>
TOTAL ASSETS	<u>114,121,767</u>	<u>94,501,705</u>
LIABILITIES		
ACCOUNTS PAYABLE	38,767	21,891
ACCOUNTS PAYABLE - PURCHASE OF SECURITIES	<u>6,568</u>	<u>191,712</u>
TOTAL LIABILITIES	<u>45,335</u>	<u>213,603</u>
NET POSITION RESTRICTED FOR PENSIONS		
NET POSITION RESTRICTED FOR DEFINED BENEFITS	100,109,244	82,474,523
NET POSITION RESTRICTED FOR DROP BENEFITS	12,034,893	10,384,884
NET POSITION RESTRICTED FOR SHARE PLAN BENEFITS	<u>1,932,295</u>	<u>1,428,695</u>
TOTAL NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 114,076,432</u>	<u>\$ 94,288,102</u>

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

**TOWN OF JUPITER
POLICE OFFICERS' RETIREMENT FUND**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED SEPTEMBER 30, 2024
(WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2023)

	<u>2024</u>	<u>2023</u>
ADDITIONS:		
Contributions:		
Employer	\$ 2,545,418	\$ 2,271,218
Participant	1,243,242	1,224,971
Chapter 185	1,063,531	996,558
Total contributions	<u>4,852,191</u>	<u>4,492,747</u>
Investment income:		
Net appreciation in fair value of investments	17,386,842	6,146,588
Interest and dividend income	<u>2,878,807</u>	<u>2,032,823</u>
Total investment income	20,265,649	8,179,411
Less: investment expenses	<u>313,257</u>	<u>273,576</u>
Net investment income	<u>19,952,392</u>	<u>7,905,835</u>
Other income	<u>360</u>	<u>1,628</u>
TOTAL ADDITIONS	<u>24,804,943</u>	<u>12,400,210</u>
DEDUCTIONS:		
Benefit payments	4,018,398	3,798,396
DROP distributions	722,433	1,558,691
SHARE distributions	32,460	49,040
Refund of contributions	83,566	-
Administrative expenses	<u>159,756</u>	<u>141,817</u>
TOTAL DEDUCTIONS	<u>5,016,613</u>	<u>5,547,944</u>
NET CHANGE IN NET POSITION RESTRICTED FOR PENSIONS	19,788,330	6,852,266
NET POSITION RESTRICTED FOR PENSIONS - BEGINNING	<u>94,288,102</u>	<u>87,435,836</u>
NET POSITION RESTRICTED FOR PENSIONS - ENDING	<u>\$ 114,076,432</u>	<u>\$ 94,288,102</u>

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

**TOWN OF JUPITER
POLICE OFFICERS' RETIREMENT FUND**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation and Income Recognition

Investments are reported at fair value (see Note 3). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (see Note 4 for discussion of fair value measurements).

Purchase and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Basis of Accounting and Use of Estimates

The accompanying financial statements have been prepared using the accrual basis of accounting. The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, benefit obligations and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Comparative Information

The financial statements include certain prior-year comparative information. Such summarized information does not include sufficient detail in the notes to the financial statements to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Plan's financial statements for the year ended September 30, 2023, from which the information was derived.

NOTE 2. DESCRIPTION OF THE PLAN

The following description of the Town of Jupiter Police Officers' Retirement Fund (the Plan) provides only general information. Participants should refer to the Town of Jupiter, Florida's (the Town) ordinance for more detailed and comprehensive information.

General

The Plan is a single-employer defined benefit pension plan, which began on February 1, 1972 and was amended on May 17, 1977, covering all full-time police officers of the Town of Jupiter, Florida who fulfilled the prescribed eligibility requirements. The Plan was established by the Town in accordance with the Town ordinance and state statutes.

Management of the Plan is vested in the Board, which consists of five members. Two of the trustees must be active police officers elected by the majority of police officers, two trustees are appointed by the Town Council and must be legal residents of the Town; and the fifth trustee is appointed by majority vote of the other four members of the Board.

**TOWN OF JUPITER
POLICE OFFICERS' RETIREMENT FUND**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

NOTE 2. DESCRIPTION OF THE PLAN (Continued)

Plan Participation

As of September 30, 2024, Plan participation consisted of the following:

Inactive Plan participants or beneficiaries	
currently receiving benefits	80
Active Plan participants	94
DROP participants	19
Inactive non-retired members	<u>1</u>
Total	<u>194</u>

Eligibility

Any person who enters the employment of the Town as a full-time police officer on or after April 1, 1995 becomes a participant in the Plan immediately upon hire. Police officers hired prior to April 1, 1995 were provided with an opportunity in their first 12 months of employment to elect to not participate in the Plan.

Participants hired prior to March 6, 2012 are considered "tier one" and participants hired on and after March 6, 2012 are considered "tier two."

Vesting

Benefits are fully vested after 10 years of continuous service. Service purchased does not count toward vesting.

Benefits

➤ Normal Retirement

• Tier One Participants

Participants may retire with normal benefits after the earlier of age 60, age 55 with 10 years of credited service, or when the total of the participant's age, computed in terms of full months, plus the participant's credited service, computed in terms of full months, equals 780 months.

Normal retirement benefits are 3% of the participant's average monthly salary multiplied by credited service at the normal retirement date. Average monthly salary for purposes of calculating benefits is the average of covered salary over the highest three years out of the last ten years of credited service.

**TOWN OF JUPITER
POLICE OFFICERS' RETIREMENT FUND**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

NOTE 2. DESCRIPTION OF THE PLAN (Continued)

Benefits (Continued)

➤ Normal Retirement (Continued)

- Tier Two Participants

Participants may retire with normal benefits after the earlier of age 55 with 10 years of credited service or when the combination of attained age and credited service equaling 840 months with 25 years of credited service.

Normal retirement benefits are 2.75% of the participant's average monthly salary multiplied by credited service at the normal retirement date limited to 25 years. Average monthly salary for purposes of calculating benefits is the average of covered salary over the highest three years out of the last ten years of credited service.

➤ Early Retirement

Reduced early retirement benefits are available once a participant reaches age 50 and accumulates 10 years of credited service.

- Tier One Participants

Effective October 1, 2005, the tier one accrued benefit, reduced actuarially from age 55 (but in no event to be more than 3% annually), plus the supplemental benefit. Prior to October 1, 2005, the accrued benefit, reduced actuarially for each year the participant is younger than age 60, plus the supplemental benefit.

- Tier Two Participants

The tier two accrued benefit reduced 3% for every two points early retirement occurs prior to 70 points, plus the supplemental benefit. However, no reduction is applied for tier two participants who enter the DROP with at least 22 years of credited service.

➤ Disability retirement

A participant becomes eligible for disability retirement if, prior to the normal retirement date, the participant becomes totally and permanently disabled as a result of injuries or disease. Effective March 6, 2012, participants with disability incurred not in the line of duty are eligible for disability retirement benefits after completion of 10 years of service. The benefit payable is (a) the greater of (i) 60% of salary at the time of disability, payable as a 10-year certain and continuous annuity, and (ii) the accrued benefit reduced actuarially from the normal retirement date, plus (b) the supplemental benefit.

**TOWN OF JUPITER
POLICE OFFICERS' RETIREMENT FUND**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

NOTE 2. DESCRIPTION OF THE PLAN (Continued)

Benefits (Continued)

➤ Pre-retirement death

In the event the officer dies in the line of duty, (a) the greater of (i) 60% of average salary and (ii) the accrued benefit, plus (b) the supplemental benefit, is payable to the surviving spouse for their life, or until all the police officer's minor children reach age 18, whichever is later. If there is no spouse or surviving children, the benefit is payable to the police officer's estate for 120 monthly payments.

In the event the officer dies not in the line of duty prior to vesting, the police officer's contributions with interest, not more than 4%, is payable. If the police officer is vested, the amount of the monthly income payable is the accrued benefit plus the supplemental benefit at the date of death.

➤ Termination benefits

A participant who terminates non-vested is entitled to a refund of accumulated employee contributions with interest of not more than 4%. Contributions may be repaid with interest upon reentry into the Plan due to rehire.

Vested participants who terminate employment prior to being eligible to receive an annuity may leave their accrued contributions in the Plan, and upon as early as age 50, begin commencement of the accrued benefit as defined under early retirement.

➤ Supplemental benefit

Intended to be available for healthcare, equals \$100 per month plus, for participants who retire on or after October 1, 2001, a monthly benefit equal to the lesser of (i) \$150 and (ii) the greater of (a) \$30 and (b) \$5 x credited service. Participants in the DROP are not eligible to receive supplemental benefits until their DROP participation ends.

➤ Deferred retirement option plan (DROP)

Tier one participants are eligible to enter the DROP at the normal tier one retirement date, while continuing active employment as a police officer. Tier two participants are eligible to enter the DROP the first of the month coincident with or next following the earlier of (i) 70 points with 25 years of credited service and (ii) 22 years of credit service regardless of age with no reduction in the tier two accrued benefit for DROP entry prior to 70 points.

The accrued benefit is frozen at DROP entry and accumulates in the DROP. DROP participants are not eligible for death or disability benefits. The supplemental benefit is not payable while the participant is in the DROP.

**TOWN OF JUPITER
POLICE OFFICERS' RETIREMENT FUND**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

NOTE 2. DESCRIPTION OF THE PLAN (Continued)

Benefits (Continued)

➤ Deferred retirement option plan (DROP) (Continued)

The maximum DROP participation duration is extended from 5 years to 8 years effective March 6, 2012.

- Participants in the DROP on March 6, 2012, were allowed to elect the 8-year DROP by agreeing to pay contributions at the employee contribution rate in effect at DROP entry for the remainder of the initial 5 years of DROP participation with 1/3 of these contributions credited to the participant's DROP account. None of the participants exercised this option.
- For tier one participants who enter the DROP after March 6, 2012, employee contributions continue at the rate in effect on the date of entry into the DROP for the first four years of DROP participation with 1/3 of these contributions credited to the participant's DROP account.
- For tier two DROP entrants, employee contributions continue for all years of DROP participation with 1/4 of these contributions credited to the participant's DROP account.

Funding

Participant Contributions - For tier one, contributions are 7.56% to 8.78% of salary effective October 1, 2012, 9.25% effective October 1, 2014, and 10.0% effective October 1, 2015. For tier two, contributions are 10.0% of salary. Effective retroactive to October 1, 2005, the Chief of Police may opt out of participation in the Plan. Additionally, rehired participants may buy back one or more years of continuous past service by paying into the Plan the amount of contributions the participant would otherwise have paid for such service, plus the investment earnings that would have been earned had such funds been invested by the Plan during that time.

State Contributions - Pursuant to Chapters 185 of the Florida Statutes, a premium tax on certain insurance contracts written within the Town of Jupiter is collected by the State and remitted to the Town for police retirement systems.

Town Contributions - The Town shall contribute an amount that, together with the amount received from the State, will be sufficient to pay the normal cost and the amount required to fund over such a period of time as provided for in state law any actuarial deficiency shown by the most recent actuarial valuation.

**TOWN OF JUPITER
POLICE OFFICERS' RETIREMENT FUND**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

NOTE 2. DESCRIPTION OF THE PLAN (Continued)

Share Account

Any sums in excess of the actuarially calculated state contribution amount in the year in which the stop/start occurs and all years thereafter, shall be reserved for distribution to individual accounts of participants as determined by the active participation of the Plan and administered by the Board. As confirmed with the Board on November 14, 2016, state premium tax dollars more than \$611,245 are allocated to share accounts. The Board, by administrative rule, shall establish share accounts for participants, in a manner approved by a vote of the active participants of the Plan.

Rate of Return

For the year ended September 30, 2024, the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was 21.6%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 3. INVESTMENTS

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Plan. The investment policy statement was last amended on May 13, 2024.

Florida Statutes and the Plan's investment policy limit investments to time and savings accounts; obligations issued by the United States Government; bonds issued by the State of Israel; corporate stocks and bonds; and commingled stock, bond, and money market funds; master limited partnerships (MLPs) and private real estate. Illiquid investments, as described in Chapter 215.47, Florida Statutes, are prohibited. Investments in companies identified as scrutinized companies by the Florida State Board of Administration (SBA) are prohibited, with the exception of investments in scrutinized companies that are held within commingled funds (if the commingled fund sponsor does not offer a similar fund that does not hold investments in scrutinized companies). The following investments are also prohibited: bonds issued by any state or municipality, futures, general obligations issued by a foreign government, hedge funds, insurance annuities, internally managed assets, limited partnerships, margin accounts, options, private equity, private mortgages, and securities lending.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

TOWN OF JUPITER
POLICE OFFICERS' RETIREMENT FUND

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

NOTE 3. INVESTMENTS (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation, as provided by the Plan's investment monitor, as of September 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	37.0%	8.2%
International equity	15.0%	3.3%
Convertible equity	5.0%	6.5%
Private credit	5.0%	2.4%
Fixed income	29.0%	2.2%
REITs	3.0%	7.4%
Private real estate	5.0%	5.5%
Cash	<u>1.0%</u>	0.0%
	<u>100.0%</u>	

During the year ended September 30, 2024 the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$17,386,842 (reported as net appreciation in fair value of investments in the accompanying statement of changes in fiduciary net position) as follows:

<u>Gains and losses</u>	
Common stocks	\$ 3,346,104
U.S. government securities	1,539,789
Certificates of deposit	46,505
Corporate bonds	836,065
Mutual funds	11,445,542
REITs	766,514
Real estate	<u>(593,677)</u>
Total	<u>\$ 17,386,842</u>

The Board determines the Plan's investment policy. The policy has been designed by the Board to obtain a reasonable total rate of return. As a prudent investor, the Board has adopted a policy to diversify investment risk among several institutionally acceptable asset classes including bonds and other corporate obligations, and equity securities. The Board employs professional investment managers to invest the assets of the Plan within the parameters established in the investment policy.

TOWN OF JUPITER

POLICE OFFICERS' RETIREMENT FUND

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

NOTE 3. INVESTMENTS (Continued)

The Plan's investment policy does not use limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Plan's investments in government securities, certificates of deposit, corporate bonds and asset-backed bonds had maturities as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
Certificates of deposit	\$ 1,224,714	\$ -	\$ 1,224,714	\$ -	\$ -
U.S. Treasury securities	3,724,398	-	539,050	628,981	2,556,367
U.S. government agency	19,105,780	-	-	3,168,471	15,937,309
Corporate bonds	10,139,519	-	2,756,096	3,844,483	3,538,940
Asset-backed bonds	1,572,385	-	1,441,511	-	130,874
Foreign bonds	1,221,326	-	242,553	371,221	607,552
Totals	<u>\$ 36,988,122</u>	<u>\$ -</u>	<u>\$ 6,203,924</u>	<u>\$ 8,013,156</u>	<u>\$ 22,771,042</u>

"Custodial credit risk" is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are held by the counterparty. The Plan's policy is to maintain its investments in custodial accounts that identify securities held as assets of the Plan by registering securities in the name of the Plan, or in street name or nominee name as the Plan's agent.

"Concentration of investment risk" is the risk of losses that may occur from having a large portion of the Plan's holding in a particular investment relative to the overall portfolio. GASB Statement 40 and GASB Statement 67, require disclosure of investments (other than those issued or guaranteed by the U.S. Government) in any one organization that represent 5% or more of total investments or fiduciary net position. As of September 30, 2024, investment in the following mutual funds represented more than 5% of the Plan's total investments: Fidelity Mid Cap Index Fund (12.3%), American Euro Pacific Growth Fund (9.9%), SPDR Bloomberg Convertible Fund (5.0%), Fidelity Large Cap Value Index Fund (5.7%), and Fidelity Large Cap Growth Index Fund (9.3%).

Additionally, Florida Statutes require the Plan to maintain deposits with financial institutions in a qualified public depository, as determined by the Treasurer of the State of Florida. The Plan's accounts maintained in qualified public depositories are covered by federal depository insurance for an amount equal to the aggregate of each participant's ascertainable, non-contingent interest in the Plan (up to \$250,000 per member). Amounts in excess of federal depository insurance are secured by the Public Depository Trust Fund (the Trust Fund) maintained by the Treasurer. The Trust Fund is a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a member financial institution fails.

TOWN OF JUPITER
POLICE OFFICERS' RETIREMENT FUND

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

NOTE 3. INVESTMENTS (Continued)

“Foreign currency risk” is the risk that fluctuations in currency exchange rate may affect transactions conducted in currencies other than U.S. Dollars and the carrying value of foreign investments. The Plan’s exposure to foreign currency risk derives mainly from its investments in international equity funds. The investment policy limits the foreign equity investments not to exceed 25% of the Plan’s assets at market value. As of year-end, the foreign investments were 10% of total investments.

NOTE 4. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan categorizes its fair value measurements within the fair value hierarchy as established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market as follows:

Level 1- Inputs to the valuation methodology are based upon quoted prices for identical assets in active markets.

Level 2- Inputs to the valuation methodology are based upon observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3- Inputs to the valuation methodology are based upon unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

Common stocks and REIT: Valued at the closing price reported on the New York Stock Exchange.

Mutual funds: Valued at the daily closing price as reported by the Plan. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Government securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

Certificates of deposit: Valued at the net asset value of shares held by the Plan at year end.

Corporate bonds and asset-backed bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yield of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.

TOWN OF JUPITER
POLICE OFFICERS' RETIREMENT FUND

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

NOTE 4. FAIR VALUE MEASUREMENTS (Continued)

Real estate fund: Valued at the net asset value of shares held by the Plan at year end. The Plan has an investment in a private market real estate investment for which no liquid public market exists.

Money market funds: Valued at the floating net asset value of shares held by the Plan at the end of the year.

The following table presents the Plan's fair value hierarchy for investments at fair value as well as the credit rating according to Standard and Poor's (S&P) as of September 30, 2024:

<u>Investment Type</u>	<u>S&P</u>	<u>Fair Value</u>	<u>Reported</u>
<u>Investments by fair value level</u>	<u>Rating</u>	<u>Method</u>	<u>Value</u>
Equity securities:			
Common stocks	N/R	Level 1	\$ 11,000,207
Equity mutual funds	N/R	Level 1	42,485,790
International equity mutual fund	N/R	Level 1	11,288,854
REIT	N/R	Level 1	3,438,841
Total equity securities			<u>68,213,692</u>
Debt securities:			
U.S. Treasury securities	AA+	Level 1	3,724,398
U.S. agency securities	N/R	Level 2	19,105,780
Certificates of deposit	AA+	Level 1	1,224,714
Corporate and foreign bonds	AAA... BBB	Level 2	11,360,845
Asset-backed bonds	AAA	Level 2	1,572,385
Total debt securities			<u>36,988,122</u>
Total investments by fair value level			<u>105,201,814</u>
<u>Investments measured at the net asset value (NAV)</u> ^(a)			
Real estate fund	N/R		<u>3,940,679</u>
Money market funds (exempt)	AAAm		<u>4,476,290</u>
Total investments			<u>\$ 113,618,783</u>

(a) As required by GAAP, certain investments that are measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the statement of fiduciary net position.

**TOWN OF JUPITER
POLICE OFFICERS' RETIREMENT FUND**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

NOTE 4. FAIR VALUE MEASUREMENTS (Continued)

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions:

	<u>Investments Measured at the NAV</u>	<u>Redemption</u>		
		<u>Unfunded</u>	<u>Frequency (if</u>	<u>Redemption</u>
	<u>Fair Value</u>	<u>Commitments</u>	<u>Currently Eligible)</u>	<u>Notice Period</u>
Real estate fund ⁽¹⁾	<u>\$ 3,940,679</u>	<u>\$ -</u>	Quarterly	10 days

(1) Real estate fund: The fund is an open-end diversified core real estate commingled fund that invests primarily in core institutional office, retail, industrial, and multi-family properties located throughout the United States. The investment is valued at NAV and its redemptions must be received by the fund 10 days prior to quarter end.

NOTE 5. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of fiduciary net position available for benefits.

Plan contributions are made and the actuarial present value of accumulated Plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE 6. NET PENSION LIABILITY OF THE PLAN

The components of the net pension liability of the Plan as of September 30, 2024 were as follows:

Total pension liability	\$ 122,539,900
Plan fiduciary net position	<u>114,076,432</u>
Net pension liability	<u>\$ 8,463,468</u>

Plan fiduciary net position as a percentage of the total pension liability	93.09%
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The total pension liability was determined by an actuarial valuation as of October 1, 2023, and a measurement date of September 30, 2024, using certain actuarial assumptions, the most significant of which were 7.0% net of investment expense, including inflation, for the investment rate of return, projected salary increases of 5.0% to 12.27% depending on service, including inflation, and 2.5% for inflation.

**TOWN OF JUPITER
POLICE OFFICERS' RETIREMENT FUND**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

NOTE 6. NET PENSION LIABILITY OF THE PLAN (Continued)

Mortality rates are those required by state statute. Mortality is as assumed in one of the last two valuations for the Florida Retirement System (FRS) for special risk employees, as follows:

The following sex distinct tables are used with fully generational mortality improvements using sex distinct Scale MP-2018:

Active: Male: PubS.H-2010(B) male employee set forward 1 year
Female: PubS.H-2010 female employee set forward 1 year
Healthy Retiree: Male: PubS.H-2010(B) male healthy retiree set forward 1 year
Female: PubS.H-2010 female healthy retiree set forward 1 year

The following sex distinct tables are used with no mortality improvement projection.

Disabled Retiree: Male: 80% PubG.H-2010 male disabled retiree + 20% PubS.H-2010 male disabled retiree
Female: 80% PubG.H-2010 female disabled retiree + 20% PubS.H-2010 female disabled retiree

A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on Plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that Plan participant contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the participant rate. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan participants. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The net pension liability was calculated using the discount rate of 7.00%. It was also calculated using a discount rate that was 1-percentage-point lower (6.00%) and 1-percentage-point higher (8.00%) and the different computations were compared.

	1% decrease	Current	1% increase
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
Net pension liability (asset)	\$ 21,304,239	\$ 8,463,468	\$ (2,203,225)

**TOWN OF JUPITER
POLICE OFFICERS' RETIREMENT FUND**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

NOTE 7. INCOME TAXES

The Plan is exempt from federal income taxes under the Internal Revenue Code 401(a), and therefore, no provision for income taxes has been made.

On November 14, 2014, the Plan obtained its most recent determination letter in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with applicable requirements of the internal Revenue Code 401(a), and therefore, is tax exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by a taxing authority. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 8. SUBSEQUENT EVENTS

Management has evaluated subsequent events for the Plan through February 24, 2025, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2024

**TOWN OF JUPITER
POLICE OFFICERS' RETIREMENT FUND**

SCHEDULES OF INVESTMENT AND ADMINISTRATIVE EXPENSES

YEAR ENDED SEPTEMBER 30, 2024
(WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2023)

	<u>2024</u>	<u>2023</u>
INVESTMENT EXPENSES:		
Financial management fees	\$ 235,393	\$ 204,940
Custodial fees	36,931	31,603
Performance monitoring fees	40,933	37,033
TOTAL INVESTMENT EXPENSES	<u>\$ 313,257</u>	<u>\$ 273,576</u>
ADMINISTRATIVE EXPENSES:		
Actuarial	\$ 54,600	\$ 39,850
Audit	13,150	13,075
Administrative fees	33,500	33,398
Insurance	7,834	7,935
Legal	33,000	33,000
Miscellaneous	2,033	321
Trustee conferences	15,639	14,238
TOTAL ADMINISTRATIVE EXPENSES	<u>\$ 159,756</u>	<u>\$ 141,817</u>

The accompanying independent auditor's report should be read with this supplementary schedule.

REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED SEPTEMBER 30, 2024

**TOWN OF JUPITER
POLICE OFFICERS' RETIREMENT FUND**

**SCHEDULES OF CONTRIBUTIONS FROM EMPLOYER AND OTHER CONTRIBUTORS
(UNAUDITED)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined employer contribution	\$ 2,545,418	\$ 2,271,218	\$ 2,597,168	\$ 2,661,412	\$ 2,308,308
Actual employer contribution	<u>2,545,418</u>	<u>2,271,218</u>	<u>2,597,168</u>	<u>2,661,412</u>	<u>2,308,308</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	<u>\$ 12,432,415</u>	<u>\$ 11,702,410</u>	<u>\$ 10,578,535</u>	<u>\$ 10,507,659</u>	<u>\$ 10,865,023</u>
Actual contributions as a percentage of covered-employee payroll	20.47%	19.41%	24.55%	25.33%	21.25%

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined employer contribution	\$ 2,346,166	\$ 2,476,765	\$ 2,211,161	\$ 2,251,726	\$ 2,374,127
Actual employer contribution	<u>2,346,166</u>	<u>2,476,765</u>	<u>2,211,161</u>	<u>2,251,726</u>	<u>2,374,127</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	<u>\$ 10,407,005</u>	<u>\$ 9,612,905</u>	<u>\$ 9,725,993</u>	<u>\$ 9,049,623</u>	<u>\$ 7,983,304</u>
Actual contributions as a percentage of covered-employee payroll	22.54%	25.77%	22.73%	24.88%	29.74%

Notes to Schedules of Contributions from Employer and Other Contributors

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	2.00%
Salary increases	5% to 12.27% including inflation.
Investment rate of return	7.0% net of investment expenses, including inflation.
Mortality	Mortality rates are those required by state statute. Mortality is as assumed in one of the last two valuations for the Florida Retirement System (FRS) for special risk employees.

The accompanying independent auditor's report should be read with this required supplementary schedule.

TOWN OF JUPITER
POLICE OFFICERS' RETIREMENT FUND

SCHEDULE OF INVESTMENT RETURNS
(UNAUDITED)

<u>Year ended</u> <u>September 30,</u>	<u>Annual money - weighted rate of</u> <u>return net of investment expense</u>
2024	21.6%
2023	9.5%
2022	(18.7%)
2021	20.5%
2020	10.7%
2019	6.3%
2018	7.5%
2017	10.2%
2016	8.9%
2015	(1.5%)

The accompanying independent auditor's report should be read with this required supplementary schedule.

TOWN OF JUPITER

POLICE OFFICERS' RETIREMENT FUND

SCHEDULES OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS (UNAUDITED)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
TOTAL PENSION LIABILITY:					
Service cost	\$ 2,867,365	\$ 2,658,201	\$ 2,524,866	\$ 2,651,840	\$ 2,557,724
Interest	8,111,659	7,620,572	7,224,193	6,940,564	6,654,336
Benefit changes	452,286	385,313	224,239	176,391	194,383
Difference between actual and expected experience	(18,204)	1,273,929	823,152	(111,593)	(136,862)
Assumption changes	-	-	-	1,971,172	(430,685)
Benefit payments	<u>(4,856,857)</u>	<u>(5,406,127)</u>	<u>(4,956,534)</u>	<u>(4,433,605)</u>	<u>(2,976,321)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	<u>6,556,249</u>	<u>6,531,888</u>	<u>5,839,916</u>	<u>7,194,769</u>	<u>5,862,575</u>
TOTAL PENSION LIABILITY - BEGINNING	<u>115,983,651</u>	<u>109,451,763</u>	<u>103,611,847</u>	<u>96,417,078</u>	<u>90,554,503</u>
TOTAL PENSION LIABILITY - ENDING	<u>122,539,900</u>	<u>115,983,651</u>	<u>109,451,763</u>	<u>103,611,847</u>	<u>96,417,078</u>
PLAN FIDUCIARY NET POSITION:					
Contributions - employer	2,545,418	2,271,218	2,597,168	2,661,412	2,308,308
Contributions - state	1,063,531	996,558	835,484	787,636	805,628
Contributions - member	1,243,242	1,224,971	1,057,854	1,050,767	1,086,504
Net investment income (loss)	19,952,752	7,907,463	(20,244,276)	18,039,655	8,387,386
Benefit payments	<u>(4,856,857)</u>	<u>(5,406,127)</u>	<u>(4,956,534)</u>	<u>(4,433,605)</u>	<u>(2,976,321)</u>
Administrative expenses	<u>(159,756)</u>	<u>(141,817)</u>	<u>(146,502)</u>	<u>(139,996)</u>	<u>(148,946)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	<u>19,788,330</u>	<u>6,852,266</u>	<u>(20,856,806)</u>	<u>17,965,869</u>	<u>9,462,559</u>
PLAN FIDUCIARY NET POSITION - BEGINNING	<u>94,288,102</u>	<u>87,435,836</u>	<u>108,292,642</u>	<u>90,326,773</u>	<u>80,864,214</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u>114,076,432</u>	<u>94,288,102</u>	<u>87,435,836</u>	<u>108,292,642</u>	<u>90,326,773</u>
NET PENSION LIABILITY (ASSET)	<u>\$ 8,463,468</u>	<u>\$ 21,695,549</u>	<u>\$ 22,015,927</u>	<u>\$ (4,680,795)</u>	<u>\$ 6,090,305</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY (ASSET)	93.1%	81.3%	79.9%	104.5%	93.7%
COVERED EMPLOYEE PAYROLL	\$ 12,432,415	\$ 11,702,410	\$ 10,578,535	\$ 10,507,659	\$ 10,865,023
NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	68.1%	185.4%	208.1%	(44.5%)	56.1%

The accompanying independent auditor's report should be read with this required supplementary schedule.

TOWN OF JUPITER
POLICE OFFICERS' RETIREMENT FUND

SCHEDULES OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS
(UNAUDITED)
(Continued)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
TOTAL PENSION LIABILITY:					
Service cost	\$ 2,406,524	\$ 2,521,070	\$ 2,582,297	\$ 2,364,103	\$ 2,342,424
Interest	6,173,634	5,878,440	5,599,862	5,122,104	4,813,173
Benefit changes	175,084	132,470	20,996	119,360	-
Difference between actual and expected experience	1,019,990	(986,328)	(1,242,300)	1,544,666	(51,881)
Assumption changes	885,877	850,361	44,485	-	(428,678)
Benefit payments	<u>(3,159,357)</u>	<u>(3,251,402)</u>	<u>(3,201,705)</u>	<u>(2,712,827)</u>	<u>(2,334,850)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	<u>7,501,752</u>	<u>5,144,611</u>	<u>3,803,635</u>	<u>6,437,406</u>	<u>4,340,188</u>
TOTAL PENSION LIABILITY - BEGINNING	<u>83,052,751</u>	<u>77,908,140</u>	<u>74,104,505</u>	<u>67,667,099</u>	<u>63,326,911</u>
TOTAL PENSION LIABILITY - ENDING	<u>90,554,503</u>	<u>83,052,751</u>	<u>77,908,140</u>	<u>74,104,505</u>	<u>67,667,099</u>
PLAN FIDUCIARY NET POSITION:					
Contributions - employer	2,346,166	2,476,765	2,211,161	2,251,726	2,374,127
Contributions - state	786,329	743,715	632,241	730,605	559,470
Contributions - member	1,043,638	991,404	975,895	903,805	783,141
Net investment income (loss)	4,629,836	4,933,798	6,163,642	4,860,116	(1,126,145)
Benefit payments	<u>(3,159,357)</u>	<u>(3,251,402)</u>	<u>(3,201,705)</u>	<u>(2,712,827)</u>	<u>(2,334,850)</u>
Administrative expenses	<u>(139,405)</u>	<u>(142,815)</u>	<u>(133,665)</u>	<u>(143,660)</u>	<u>(130,608)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	<u>5,507,207</u>	<u>5,751,465</u>	<u>6,647,569</u>	<u>5,889,765</u>	<u>125,135</u>
PLAN FIDUCIARY NET POSITION - BEGINNING	<u>75,357,007</u>	<u>69,605,542</u>	<u>62,957,973</u>	<u>57,068,208</u>	<u>56,943,073</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u>80,864,214</u>	<u>75,357,007</u>	<u>69,605,542</u>	<u>62,957,973</u>	<u>57,068,208</u>
NET PENSION LIABILITY (ASSET)	<u>\$ 9,690,289</u>	<u>\$ 7,695,744</u>	<u>\$ 8,302,598</u>	<u>\$ 11,146,532</u>	<u>\$ 10,598,891</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY (ASSET)	89.3%	90.7%	89.3%	85.0%	84.3%
COVERED EMPLOYEE PAYROLL	\$ 10,407,005	\$ 9,612,905	\$ 9,725,993	\$ 9,049,623	\$ 7,983,304
NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	93.1%	80.1%	85.4%	123.2%	132.8%

The accompanying independent auditor's report should be read with this required supplementary schedule.

COMPLIANCE REPORT

SEPTEMBER 30, 2024



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

To the Board of Trustees of the
Town of Jupiter Police Officers' Retirement Fund

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 Town of Jupiter Police Officers' Retirement Fund, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Jupiter Police Officers' Retirement Fund's basic financial statements, and have issued our report thereon dated February 24, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Jupiter Police Officers' Retirement Fund'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 Town of Jupiter Police Officers' Retirement Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Jupiter Police Officers' Retirement Fund'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 Plan'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.

**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** (Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Jupiter Police Officers' Retirement Fund'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 Plan'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 Plan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KSDT CPA

Weston, Florida
February 24, 2025