



MARTIN COUNTY, FLORIDA

ANNUAL FINANCIAL REPORT TO THE AUDITOR GENERAL

For the Fiscal Year Ended September 30, 2020



PREPARED BY THE CLERK OF THE CIRCUIT COURT AND COMPTROLLER, MARTIN COUNTY

MARTIN COUNTY, FLORIDA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**



**PREPARED BY THE DIVISION OF FINANCIAL SERVICES
OFFICE OF THE CLERK OF THE CIRCUIT COURT & COMPTROLLER**

Martin County, Florida
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
Fiscal Year Ended September 30, 2020

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

Transmittal Letter of the Clerk of the Circuit Court & Comptroller.....	i
Elected Officials.....	viii
Organizational Chart.....	ix
Certificate of Achievement.....	x

FINANCIAL SECTION

Independent Auditor's Report.....	1
Management's Discussion and Analysis (Unaudited).....	4

BASIC FINANCIAL STATEMENTS

Government-wide Statements:.....	17
Statement of Net Position.....	19
Statement of Activities.....	21
Fund Financial Statements:.....	21
Balance Sheet - Governmental Funds.....	23
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	24
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	26
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund.....	27
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Consolidated Fire/EMS.....	28
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - CRA Fund.....	29
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Federal Grants.....	30
Statement of Net Position - Proprietary Funds.....	31
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds.....	33
Statement of Cash Flows - Proprietary Funds.....	35
Statement of Fiduciary Net Position - Fiduciary Funds.....	37
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	38
Notes to the Financial Statements.....	40

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)

Schedule of Changes in Martin County Total OPEB Liability and Related Ratios.....	90
Schedule of Martin County Proportionate Share of the Net Pension Liability and Schedule of Martin County Contributions - Florida Retirement System.....	91
Schedule of Martin County Proportionate Share of the Net Pension Liability and Schedule of Martin County Contributions - Health Insurance Subsidy Program.....	93

COMBINING AND INDIVIDUAL FUND STATEMENTS

Combining Balance Sheet - Nonmajor Governmental Funds.....	97
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	103
Statement of Net Position - Nonmajor Enterprise Funds.....	109
Statement of Revenues, Expenses and Changes in Net Position - Nonmajor Enterprise Funds.....	110
Statement of Cash Flows - Nonmajor Enterprise Funds.....	111
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual for Nonmajor Special Revenue Funds.....	113
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual for Nonmajor Debt Service Funds.....	132
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual for Major and Nonmajor Capital Project Funds.....	134
Combining Statement of Net Position - Internal Service Funds.....	139
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds.....	140
Statement of Cash Flows - Internal Service Funds.....	141
Combining Statement of Fiduciary Net Position - Private Purpose Trust Funds.....	143
Combining Statement of Changes in Fiduciary Net Position - Private Purpose Trust Funds.....	144
Combining Statement of Fiduciary Net Position - Agency Funds.....	145
Statements of Changes in Assets and Liabilities - Agency Funds.....	147

STATISTICAL SECTION (Unaudited)

Net Position by Component, Last Ten Fiscal Years.....	151
Changes in Net Position, Last Ten Fiscal Years.....	153
Fund Balances, Governmental Funds, Last Ten Fiscal Years.....	157
Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years.....	159
Graphs Related to Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years.....	
Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years.....	163
Direct and Overlapping Property Tax Rates Per Thousand of Taxable Value, Last Ten Fiscal Years.....	165
Principal Property Tax Payers, Current Fiscal Year and Nine Years Ago.....	167
Property Tax Levies and Collections, Last Ten Fiscal Years.....	169
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years.....	171
Ratios of Net General Bonded Debt Outstanding, Last Ten Fiscal Years.....	173
Direct and Overlapping Governmental Activities Debt, September 30, 2017.....	174
Pledged-Revenue Coverage - Governmental Activities, Last Ten Fiscal Years.....	175
Pledged-Revenue Coverage - Business-Type Activities, Last Ten Fiscal Years.....	177
Demographic and Economic Statistics, Last Ten Years.....	179
Principal Employers, Current Year and Nine Years Ago.....	180
Full-time Equivalent Martin County Government Employees By Function/Program, Last Ten Fiscal Years.....	181
Operating Indicators by Function/Program, Last Ten Fiscal Years.....	183
Capital Asset Statistics by Function, Last Ten Fiscal Years.....	185

SINGLE AUDIT and OTHER REPORTS

Schedule of Expenditures of Federal Awards and State Financial Assistance.....	187
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.....	193
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.....	194
Independent Auditor's Report on Compliance for Each Major Federal Program and Major State Project and on Internal Control over Compliance; Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General.....	196
Schedule of Findings and Questioned Costs.....	199
Independent Auditor's Management Letter.....	201
Independent Accountant's Report.....	203

CONSTITUTIONAL OFFICERS

Financial Statements with Independent Auditor's Report, Report on Internal Control over Financial Reporting
and on Compliance and Other Matters, Management Letter, and Independent Accountant's Report for:

Clerk of the Circuit Court

Property Appraiser

Sheriff

Supervisor of Elections

Tax Collector



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INTRODUCTORY SECTION



Carolyn Timmann
Clerk of the Circuit Court & Comptroller
Martin County, Florida

March 30, 2021

To the Citizens of Martin County, Florida,
the Members of the Board of County Commissioners,
and the Constitutional Officers

Re: Comprehensive Annual Financial Report for Martin County, Florida – September 30, 2020

Dear Ladies and Gentlemen:

The Comprehensive Annual Financial Report for Martin County, Florida, for the fiscal year ended September 30, 2020, is hereby respectfully submitted. This report was prepared by the Division of Financial Services under the supervision of the Clerk of the Circuit Court and Comptroller (the Clerk) in the role as Comptroller for Martin County (the County). Responsibility for the accuracy of the data presented, as well as completeness and fairness of the presentation, including all disclosures, rests with the Clerk and is contingent upon the internal controls established for this purpose.

The County has established a comprehensive framework of internal controls designed to safeguard the assets of the County from loss, theft or misuse, and to ensure the financial records used for preparing the County's audited financial statements are in conformity with generally accepted accounting principles (GAAP). Since the cost of internal controls should not exceed their expected benefit, the County's internal control structure has been designed to provide reasonable, but not absolute, assurance that the financial statements are free from material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Section 218.39, Florida Statutes, requires an annual audit of local governments. The Comprehensive Annual Financial Report is a complete set of financial statements and notes audited by independent certified public accountants in accordance with Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall presentation of the financial statements. Based on the independent audit performed by the certified public accounting firm MSL CPAs & Advisors, the auditor concluded there was a reasonable basis for rendering an unmodified opinion, stating the County's financial statements for fiscal year ending September 30, 2020, were fairly presented in all material respects. In addition, the Comprehensive Annual Financial Report was developed and organized to meet the program requirements of the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting.

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The Management's Discussion and Analysis (MD&A) is a narrative required to accompany the basic financial statements. It provides an objective and easy to read analysis of the County's financial activities based on currently known facts, decisions, or conditions. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor's report.

PROFILE OF THE GOVERNMENT

Martin County was created on May 30, 1925, and was named after Governor John Wellborn Martin (served 1925-29). The County is located on the east coast of Florida, equidistant from Orlando and Miami in the area designated as the Treasure Coast. It encompasses a land area of 544 square miles and the 2020 population is estimated to be 161,301. The Treasure Coast is home to 21 miles of ocean beaches and 75 parks (approximately 1,800 acres of park land). Other County facilities include 12 fire stations, 6 libraries, 12 community centers and 499 miles of county-maintained paved roads. During the past decade (2011-2020), the population of the County increased 10.0%. Martin County is currently ranked 31st in population size with 0.8% of the State's total population.

The County is a non-charter county established under the Florida Constitution and the laws of the State of Florida. The County operates under a County Manager form of government with separation of executive and legislative functions. The five-member Board of County Commissioners (BOCC) is the legislative and governing body of the County. Commissioners are elected by all county voters to four-year terms to the district in which they reside.

The primary government of Martin County consists of the BOCC and the independently elected constitutional officers – Clerk of the Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. Together they provide a full range of services which include law enforcement, tourist development, fire rescue, conservation and resource management, public improvements, human services, parks and recreation, cultural facilities, planning and zoning, public transportation, economic development, property tax assessments and collections, official recordkeeping, court-related support functions, and financial services, including financial reporting and the investment of public funds. The County also operates four business-type activities: Utilities Department, Solid Waste Department, Martin County Golf Course, and Martin County Airport.

The Comprehensive Annual Financial Report includes the funds of the primary government and the Community Redevelopment Agency (CRA) as a single blended component unit. The CRA is reported as a blended component unit because GAAP requires organizations that are fiscally dependent on the County, substantively controlled by the same governing board as the County, and that provide services exclusively or almost exclusively for the benefit of the County, to have their financial transactions and account balances reported in the appropriate combining statements with the primary government.

The Clerk, Sheriff, and Supervisor of Elections submit proposed operating budgets to the Board prior to May 1. The Florida Department of Revenue receives budgets from the Property Appraiser prior to June 1 and from the Tax Collector prior to August 1. Once these budgets are approved, they are forwarded to the Board. The Clerk submits a budget to the Florida Clerks of Court Operations Corporation (CCOC) prior to June 1 for its court related functions. These operating budgets include proposed expenditures and the sources to finance them as set forth in section 28.36, Florida Statutes.

Constitutional Officers, all departments controlled by the Board of County Commissioners, and outside state and local agencies submit their proposed budgets to the Office of Management and Budget for review and compilation. The County Administrator then reviews all of the budgets of the County departments, state agencies, and nonprofit organizations, and makes budget recommendations to the Board of County Commissioners on or before July 15 of each year. The Board then holds public workshops to review the tentative budget by fund on a departmental level.

During September, public hearings are held pursuant to section 200.065, Florida Statutes, in order for the Board to receive public input on the tentative budget. At the end of the last public hearing, the Board enacts ordinances to legally adopt the budgets at the department level for all governmental fund types. The budgets legally adopted by the Board set forth the anticipated revenues by source and the appropriations by function. Budgets for enterprise and internal service funds are adopted on a basis consistent with GAAP. Management is authorized to transfer budgeted amounts between accounts and departments in any fund as long as the total appropriations of a fund are not exceeded. Board approval to amend the budget is required when unanticipated revenues are received that management wishes to have appropriated, thereby increasing the total appropriations of a fund.

Formal budgetary integration is employed as a management control device during the fiscal year for all fund types. Budgets for all funds are adopted on a basis consistent with GAAP, with one exception within the enterprise funds budgets. Capital asset purchases are budgeted as capital outlay expenditures for control purposes. The County follows the laws of Florida regarding the control, adoption, and amendment of the budget during each fiscal year. Budgets for the governmental funds are legally adopted. The legal level of budgetary control is maintained at the department level through the use of encumbrance accounting. Appropriations for the County lapse at the close of the fiscal year.

Local Economy

The City of Stuart, the County Seat, is known as the "Sailfish Capital of the World" and sport fishing attracts many tourists to the area. Other municipalities include the Town of Jupiter Island, Ocean Breeze Park, the Town of Sewall's Point, and the Village of Indiantown. All of the municipalities enjoy the environmental and economic benefits of the recreational spaces and waterways.

The Indian River and the St. Lucie River converge in Stuart, flowing into the Atlantic Ocean at the St. Lucie Inlet. Through a series of natural waterways and canals, the Atlantic Intracoastal Waterway runs through Indian River County into Martin County and extends to Palm Beach County. In addition to the Atlantic Intracoastal Waterway, the South Fork of the St. Lucie River connects with Lake Okeechobee through the St. Lucie Canal as part of the Okeechobee Waterway flowing into the Gulf of Mexico near Fort Myers, Florida. The County recognizes and prioritizes the importance of maintaining its diverse estuary, including the Indian River Lagoon, to support the ecological and economic impact it provides for Martin County.

The local economy is based upon agriculture, tourism, professional and banking services, healthcare services, and light manufacturing. In the past ten years, assessed property values have increased 20.8%. The unemployment rate for the County increased to 4.2% in 2020 from 2.7% in 2019, compared to 6.9% nationally, while Florida's unemployment rate was 6.4%.

Long-Term Financial Planning

In compliance with the Florida Constitution and Florida Statutes, the Martin County Board of County Commissioners adopts and publishes a balanced budget annually. The County's goal is to deliver the best services to its residents with the limited resources that are available. County departments and staff continue to implement the BOCC's strategic goals and objectives using the budget process as a framework to achieve success. In 2020, efforts continued to address the County's infrastructure construction and maintenance backlog.

The County's total weighted average millage rate adopted for Fiscal Year 2020 (FY20) increased 3.3% to 10.3574%. The increase in the tax rate equates to approximately \$67.53 more in taxes paid by the average single-family homeowner using a \$261,960 net assessed value. The Property Appraiser certified property values with a total tax base of \$22.7 billion, a 3.0% increase from the prior year. The single-family median market value increased from \$246,950 in the prior year to \$261,960. The structure of the homestead exemption established by the Save Our Homes Amendment, allowing for an increase in the assessed value when the assessed value is less than market value, is indexed by the Consumer Price Index (CPI) or 3%, whichever is less. The total County budget for FY20 is \$498,245,971, which is an increase of \$62,701,370, or 14.4%, over the FY19 budget. This net increase includes a \$17.4 million increase in ad-valorem revenues and over \$9.5 million in new grant funding.

Relevant Financial Policies

The Board of County Commissioners is responsible for establishing annual and long-range financial policies for the purposes of providing transparency and accountability of public funds, planning for the adequate funding of services desired by the public, and providing for the availability and maintenance of public facilities and infrastructure.

The Debt Policy calculates debt service requirements each year prospectively on a five-year time frame in unison with the Capital Improvement Plan (CIP) to examine the implications of long-term decision making and the related effects of debt issuance. Guidelines of the Debt Policy include the following: the County will limit long-term borrowing to capital leases and capital improvements that cannot be financed from current financial resources; the County will not issue debt with a maturity longer than the useful life of the project or asset; the County will not fund current operations or maintenance from the proceeds of long-term debt; the County will maintain net governmental debt per capita not to exceed \$900, net debt as a percentage of estimated market value of taxable property not to exceed 3%, and the ratio of debt service expenditures as a percentage of governmental fund expenditures not to exceed 10%.

The Fund Balance Reserve Policy ensures that sufficient levels of reserves are maintained for operational and financial stability. The stabilization reserve in the General Fund is to be maintained in an amount not less than 10% of the annual General Fund budget (less reserve totals). This amount approximates 60 days of working capital. Other County funds maintain similar designated reserves.

Major Initiatives

One of the Clerk of the Circuit Court and Comptroller's (Clerk) major initiatives has been the official records conversion program to move from an era of paper filings, degrading tape media and manual records to an era of computer and web-based records. Phase One of this project has been completed with the enhancement and digitization of over 1.3 million images. The Clerk is now in Phase Two of the project which includes verifying and indexing the digitized records. The Clerk has deployed the most up-to-date technology, utilizing artificial intelligence (AI) and bots, to complete this project phase in a timely and cost-efficient manner. In addition to significantly improving online public access, this effort will reduce research expenses for individuals and local businesses.

The Clerk also launched an electronic notification and alert service to help combat fraud and identity theft from misuse of the County's Official Records. This service is provided through the existing records maintenance system at no additional cost to the County or its residents.

Prior direction from the Board of County Commissioners has been to allocate revenues from growth in taxable values towards addressing the County's infrastructure maintenance and capital improvement backlog to ensure satisfactory condition levels are maintained at a minimum. Additional projects have also been included in the FY20 capital improvement budget, which have been funded through a variety of additional sources such as grants, tax increment financing, tourist development (bed) tax, gas taxes, and sales taxes.

In FY20, the County received over \$7 million in CARES grants to address the ongoing COVID-19 pandemic impacts to the County and its residents. CARES funds were used to provide food assistance, small business support, and rent or mortgage delinquency help. During the year the County also received \$2 million in grant

funding for beach renourishment and \$0.5 million for Jensen Beach boat mooring field facilities and improvements.

Some noteworthy maintenance and construction projects included in the capital improvement budget in the current year are listed below:

- St. Lucie Inlet Management Plan – This program is comprised of maintenance dredging and other necessary improvements to the jetties, breakwater, sand impoundment basin, and interior shoal to maintain the navigation channel. The total remaining ten-year project costs are \$78.2 million. In FY20 and beyond, the project will be funded annually by \$4.5 million in ad-valorem taxes, \$500,000 in tourist development taxes, an average of \$1,417,250 in grants, and \$110,000 in vessel registration fees.
- Airport Facilities Improvements – This project is comprised of various components such as operations center and electrical vault construction, wildlife and security fencing, gate access and CCTV security improvements, and air traffic control building rehabilitation. The total ten-year project costs are \$7.9 million. In FY20 the project will be funded by \$597,500 in airport fees and \$2.5 million in grants.
- Phipps Park Campground Renovation – This project is being completed to provide shoreline and dock improvements, 50-amp power service for primitive sites, 25 tent platform sites, and concrete pads for all sites. The total \$3.1 million project is funded by a \$226,846 utilities department contribution, \$280,795 from ad valorem taxes, grants of \$547,776, and impact fees of \$2,058,033.
- Murphy Road, C-23 Bridge Replacement – This project is for the removal and reconstruction of a 230' long two-lane bridge over the C-23 canal. This includes pilings, substructure, deck slabs, drainage improvements, and the relocation of an existing waterline. The total project costs are \$3.7 million. This FY20 project is funded by \$325,000 in gas taxes, \$300,000 in road MSTU taxes, and \$3,062,215 in grants.
- Golden Gate Septic to Sewer – This project is for converting septic tanks to a vacuum assisted sewer system to serve 775 parcels in the Golden Gate area. The project also includes drainage improvements and road overlay. The total project costs are \$13.9 million. This FY20 project is funded by \$9.6 million from a long-term property assessment loan, \$2 million from state revenue sharing, \$1.5 million in franchise fees, \$0.5 million from sewer capital facilities funds, and \$0.3 million from utilities fees.
- Dixie Highway Corridor and Cove Road Force Mains – This project is for the construction of 36,500 feet of 12-inch and 16-inch force mains. These are main lines to the Dixie Park Repump Station and the Tropical Farms Wastewater Treatment Facility. The total project costs are \$6.5 million. This project is currently being funded by internal reserves and borrowing.

- Tropical Farms Water Plant – This project is to increase the capacity of the water plant to 20.55 million gallons per day. Expansion is called for when the plant flows reach 80% of permitted capacity. This project will keep the Utilities Department in compliance with the Comprehensive Plan and maintain the current level of service. The total project costs are \$10.2 million. This project is being funded by \$3.9 million in utility fees and \$6.3 million from capital facility charge funds.

AWARDS AND ACKNOWLEDGEMENTS

The GFOA of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Martin County for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019. This was the twenty-seventh consecutive year the County achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. The Comprehensive Annual Financial Report must satisfy both GAAP and applicable legal requirements, and will be submitted to the GFOA to determine its eligibility for recognition.

I would like to thank the entire staff of the Department of Financial Services for their invaluable work in developing this report and for performing the Clerk's designated role as auditor and comptroller to the Board of County Commissioners. I would also like to thank the Office of Management and Budget, as well as the other Constitutional Officers for their support in planning and conducting the financial operations of the County in a responsible, accountable, transparent and progressive manner. Finally, thanks to the citizens of Martin County for the trust you continue to place in those who work to serve you.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Carolyn Timmann", with a stylized flourish at the end.

Carolyn Timmann
Clerk of the Circuit Court and Comptroller

CBT/to

**MARTIN COUNTY, FLORIDA
ELECTED OFFICIALS
AS OF SEPTEMBER 30, 2020**

BOARD OF COUNTY COMMISSIONERS

HAROLD JENKINS
County Commissioner
District #3
Chairman

DOUG SMITH
County Commissioner
District #1

**STACEY
HETHERINGTON**
County Commissioner
District #2

EDWARD CIAMPI
County Commissioner
District #5

SARAH HEARD
County Commissioner
District #4

CONSTITUTIONAL OFFICERS

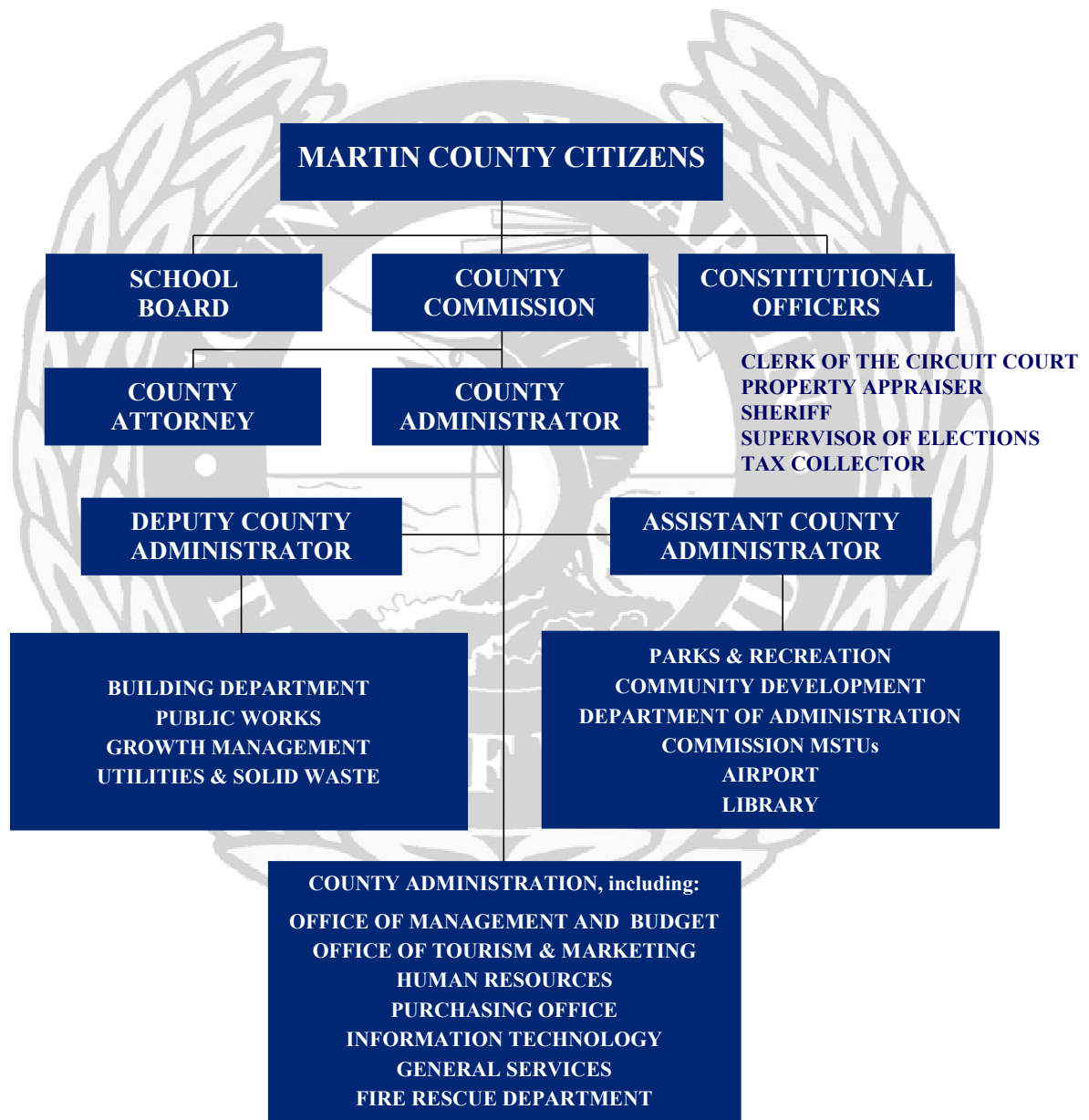
CAROLYN TIMMANN
Clerk of the Circuit Court & Comptroller

LAUREL KELLY
Property Appraiser

WILLIAM SNYDER
Sheriff

VICKI DAVIS
Supervisor of Elections

RUTH PIETRUSZEWSKI
Tax Collector





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Martin County
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrell

Executive Director/CEO



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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners
Martin County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of Martin County, Florida (the County) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the County as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Consolidated Fire/EMS Fund, CRA Fund, and Federal Grants Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Honorable Board of County Commissioners
Martin County, Florida

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements as a whole. The introductory section, combining and individual fund statements and schedules, and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2021, on our consideration of the County'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
March 30, 2021



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Management's Discussion and Analysis

(Unaudited)

The following narrative provides management's overview and analysis of Martin County's (the County) financial activities for the fiscal year ended September 30, 2020. This information should be reviewed in conjunction with the letter of transmittal at the front of this report and the financial statements and notes following this section. Additional information is provided in this narrative as the accompanying notes to the financial statements.

Financial Highlights

- At the close of fiscal year 2020, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$765.345 million. Of this amount, \$855.035 million, or 111.72%, is net investment in capital assets. An additional portion of the County's net position, \$102.243 million, or 13.36%, represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$191.933 million, or 25.08%. Overall, the County experienced an increase in net position of \$11.638 million from the prior year net position of \$753.707 million.
- During the fiscal year, the total assets and deferred outflows increased by \$70.932 million. Total assets increased by \$48.439 million while deferred outflows increased by \$22.493 million (an increase of \$10.355 million of deferred outflows for pensions, an increase of \$12.658 million of deferred outflows for other post employment benefits (OPEB), and a decrease of \$0.520 million of deferred outflows for loss on refunding debt).
- Total liabilities increased \$68.436 million, the change in deferred inflows for pensions has decreased by \$11.863, and the change in the deferred inflows for OPEB increased \$2.719 million. As a result, the net change in total liabilities and deferred inflows increased during the year by \$59.292 million.
- The County's governmental funds had a fund balance of \$228.768 million compared to last year's fund balance of \$206.328 million reporting an increase in governmental fund balance of \$22.440 million.
- At the beginning of the 2020 fiscal year, the fund balance for the County's general fund was \$34.061 million. Over the course of the year it increased by \$9.572 million resulting in an ending fund balance of \$43.633 million. The nonmajor funds (special revenue, debt service, capital projects, and permanent funds) reported a \$12.640 million increase in fund balance from the prior year ending balance of \$85.263 million (reflects a decrease from this year's beginning fund balance of \$86.126 million because Federal Grants (\$0.863 million) moved from nonmajor fund in FY19 to major fund in FY20), resulting in an ending fiscal year 2020 fund balance of \$97.903 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplementary information.

Government-wide Financial Statements:

The government-wide financial statements provide an overview of the County's financial position using the accrual basis of accounting, which is the same basis of accounting used by the proprietary funds and is similar to that used by private-sector businesses. The purpose of the government-wide financial statements is to provide an assessment of the government's operational accountability, which shows the extent to which the government has met its operating objectives using all resources available for that purpose, and whether the government can continue to meet its objectives for the foreseeable future.

The government-wide financial statements are presented in two separate columns, one for governmental activities and the other for business-type activities. Financial information in the governmental fund financial statements, which

are supported primarily by taxes and intergovernmental revenues, are reported in the governmental activities column. The governmental activities of the County are separated by function, which include general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation. The operation of the government's enterprise funds, supported primarily or entirely by the recovery of costs through user fees and charges, are reported under the business-type activities column. The business-type activities of the County are water, sewer, solid waste, airport and golf course. Because the resources of fiduciary funds by definition are not available to support the government's programs, data from these funds are excluded from the government-wide financial statements.

The Statement of Net Position presents the County's assets plus deferred outflows, less liabilities plus deferred inflows, with the difference between them reported as net position. Changes in net position may serve as an indicator of whether the financial position of the County is improving or deteriorating. The Statement of Activities follows the Statement of Net Position and presents information showing how the County's net position changed during the fiscal year. Changes in net position are reported as soon as the underlying economic transactions occur regardless of when cash is received or paid. Therefore, some of the revenues or expenses reported in the Statement of Activities will have cash flows in future fiscal periods. For example, certain sales taxes are shown as revenues, although cash receipts will occur early in the following fiscal year. Alternatively, an increase in unused vacation leave is recorded as an expense, although related cash outflows will occur in the future.

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 County uses fund accounting to ensure and demonstrate compliance with legal, legislative, contractual, and other finance-related provisions. All of the County's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

Most of the County's basic services are reported in governmental funds which focus on the near-term inflow and outflow of cash or other spendable resources, with a residual of spendable balances remaining at the end of the fiscal year. The purpose of governmental funds is to promote the concept of fiscal accountability, whereby the government's actions in the current period are shown in the fund statements to have complied with public decisions concerning the raising and spending of public funds in the short term, usually for a single budgetary cycle or one year.

The governmental funds the County uses to provide fiscal accountability are special revenue funds, capital project funds, debt service funds, permanent funds, and the general fund. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Capital project funds are used to account for financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest of debt service for bonds, notes, loans, and leases. Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs for the benefit of the government or its citizenry. Lastly, the general fund, the County's main operating fund, is used to account for and report all financial resources not accounted for and reported in the other governmental fund types.

Governmental funds are reported in the financial statements using a measurement focus and basis of accounting called modified accrual accounting. The modified accrual basis of accounting measures and reports cash and all other financial resources that can be readily converted into cash, usually within a time period of no more than 60 days after the end of the fiscal year. This information is useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances, provide reconciliation to facilitate the comparison between governmental funds and governmental activities.

Funds that are significant in terms of revenues, expenditures, assets, deferred outflows, liabilities, or deferred inflows, are identified as major funds in the basic financial statements and reported separately. Budget and actual comparison statements are also presented in this section for the general fund and each major special revenue fund with an annually adopted budget. The County's nonmajor funds, and budget and actual comparison schedules for any nonmajor funds with annually appropriated budgets are presented in the combining and individual fund statements and schedules section of this report.

Proprietary funds

The County has two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the water and sewer operations, solid waste function, golf course, and the local airport. Internal service funds are an accounting device used to accumulate and allocate costs internally among various government functions or departments. The County uses internal service funds to account for its fleet of vehicles and for self-insurance. Because both of these services predominantly benefit governmental rather than business-type functions, the majority of the activity has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utilities (water and sewer), solid waste, golf course and airport. Both internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements since the resources of those funds are not available to support the programs of the County. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

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

Required Supplementary Information

Generally accepted accounting principles (GAAP) require governments to provide certain information on the County's total proportionate share of OPEB liability, net pension liability of the FRS and HIS plans, and contributions made.

Government-wide Financial Analysis

As noted earlier, net position viewed over time may serve as a useful indicator of a government's financial position. At the close of fiscal year 2020, the County's assets exceeded liabilities by \$765.345 million. Of the total net position, \$459.664 million can be attributed to governmental activities and \$305.681 million to business-type activities.

Martin County's Net Position as of September 30
(in thousands)

	2020	2019	2020	2019	2020	2019
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Government-wide Total	Government-wide Total
Current and other assets	\$ 281,428	\$ 255,180	\$ 97,353	\$ 93,225	\$ 378,781	\$ 348,405
Capital assets, net	695,953	677,014	294,408	295,284	990,361	972,298
Total assets	977,381	932,194	391,761	388,509	1,369,142	1,320,703
Deferred outflows of resources	100,485	79,032	6,819	5,779	107,304	84,811
Current and other liabilities	46,729	39,183	14,224	15,247	60,953	54,430
Long-term liabilities outstanding	549,117	486,336	78,293	79,161	627,410	565,497
Total liabilities	595,846	525,519	92,517	94,408	688,363	619,927
Deferred inflows of resources	22,356	31,257	380	623	22,736	31,880
Net position						
Investment in capital assets	620,194	601,339	234,841	230,987	855,035	832,326
Restricted	79,601	78,089	22,642	24,696	102,243	102,785
Unrestricted (deficit)	(240,131)	(224,978)	48,198	43,574	(191,933)	(181,404)
Total net position	\$ 459,664	\$ 454,450	\$ 305,681	\$ 299,257	\$ 765,345	\$ 753,707

The largest portion of the County's net position, \$855.035 million, or 111.72%, reflects its net investment in capital assets (land, buildings, infrastructure, and equipment, less any related outstanding debt that was used to acquire those assets). The County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County'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.

An additional portion of the County's net position, \$102.243 million, or 13.36%, represents resources that are subject to restrictions on how they may be used. The remaining balance in unrestricted net position is a deficit of \$191.933 million, primarily due to OPEB and pension liabilities. At the end of the current fiscal year, the County is able to report surplus balances in two categories of net position for the government as a whole and for three categories in the business-type activities; the unrestricted net position for governmental activities has a deficit balance of \$240.131 million. The County's overall net position increased by \$11.638 million or 1.54%.

Significant year over year changes in Net Position are as follows:

- During the fiscal year, current and other assets increased by \$30.376 million mostly due to an increase in cash and investments of \$33.599 million resulting from an \$18 million increase in tax collections, grant and CARES funding receipts, and a little over \$5 million from debt proceeds.
- Total capital assets net of depreciation increased \$18.063 million primarily due to an increase in building improvements, equipment acquisition, and infrastructure assets related to roadway projects consisting of roadway replacement, roadway resurfacing, and roadway widening projects completed over the course of the year.
- Total liabilities increased \$68.436 million from prior year balances as a result of the obligations related to new debt, as well as a \$54.617 million increase in net pension liability and a \$16.284 million increase in the OPEB liability.

Martin County's Changes in Net Position
(in thousands)

	2020	2019	2020	2019	2020	2019
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Government-wide Total	Government-wide Total
Revenues:						
Program revenues:						
Charges for services	\$ 46,126	\$ 54,219	\$ 61,209	\$ 60,562	\$ 107,335	\$ 114,781
Operating grants and contributions	23,917	14,985	58	434	23,975	15,419
Capital grants and contributions	12,076	8,822	7,804	11,383	19,880	20,205
General revenues:						
Property taxes	206,469	188,545	-	-	206,469	188,545
Other taxes	28,115	28,559	-	-	28,115	28,559
Contributions not restricted to specific programs	5,102	5,406	-	-	5,102	5,406
Other	8,996	16,307	3,990	4,569	12,986	20,876
Total revenues	<u>330,801</u>	<u>316,843</u>	<u>73,061</u>	<u>76,948</u>	<u>403,862</u>	<u>393,791</u>
Expenses:						
General government	79,136	76,708	-	-	79,136	76,708
Public safety	169,589	154,948	-	-	169,589	154,948
Physical environment	11,061	17,691	-	-	11,061	17,691
Transportation	28,414	27,226	-	-	28,414	27,226
Economic environment	5,406	4,060	-	-	5,406	4,060
Human services	6,810	7,889	-	-	6,810	7,889
Culture and recreation	20,178	20,965	-	-	20,178	20,965
Interest and fiscal charges on long-term debt	3,857	2,990	-	-	3,857	2,990
Water	-	-	20,783	17,832	20,783	17,832
Sewer	-	-	17,002	14,587	17,002	14,587
Solid waste	-	-	24,059	22,237	24,059	22,237
Airport	-	-	3,981	3,478	3,981	3,478
Golf Course	-	-	1,947	2,049	1,947	2,049
Total expenses	<u>324,451</u>	<u>312,477</u>	<u>67,772</u>	<u>60,183</u>	<u>392,223</u>	<u>372,660</u>
Change in net position before transfers	6,350	4,366	5,289	16,765	11,639	21,131
Transfers	<u>(1,136)</u>	<u>(507)</u>	<u>1,136</u>	<u>507</u>	<u>-</u>	<u>-</u>
Change in net position	5,214	3,859	6,425	17,272	11,639	21,131
Net position-beginning	<u>454,450</u>	<u>450,591</u>	<u>299,257</u>	<u>281,985</u>	<u>753,707</u>	<u>732,576</u>
Net position-ending	<u>\$ 459,664</u>	<u>\$ 454,450</u>	<u>\$ 305,682</u>	<u>\$ 299,257</u>	<u>\$ 765,346</u>	<u>\$ 753,707</u>

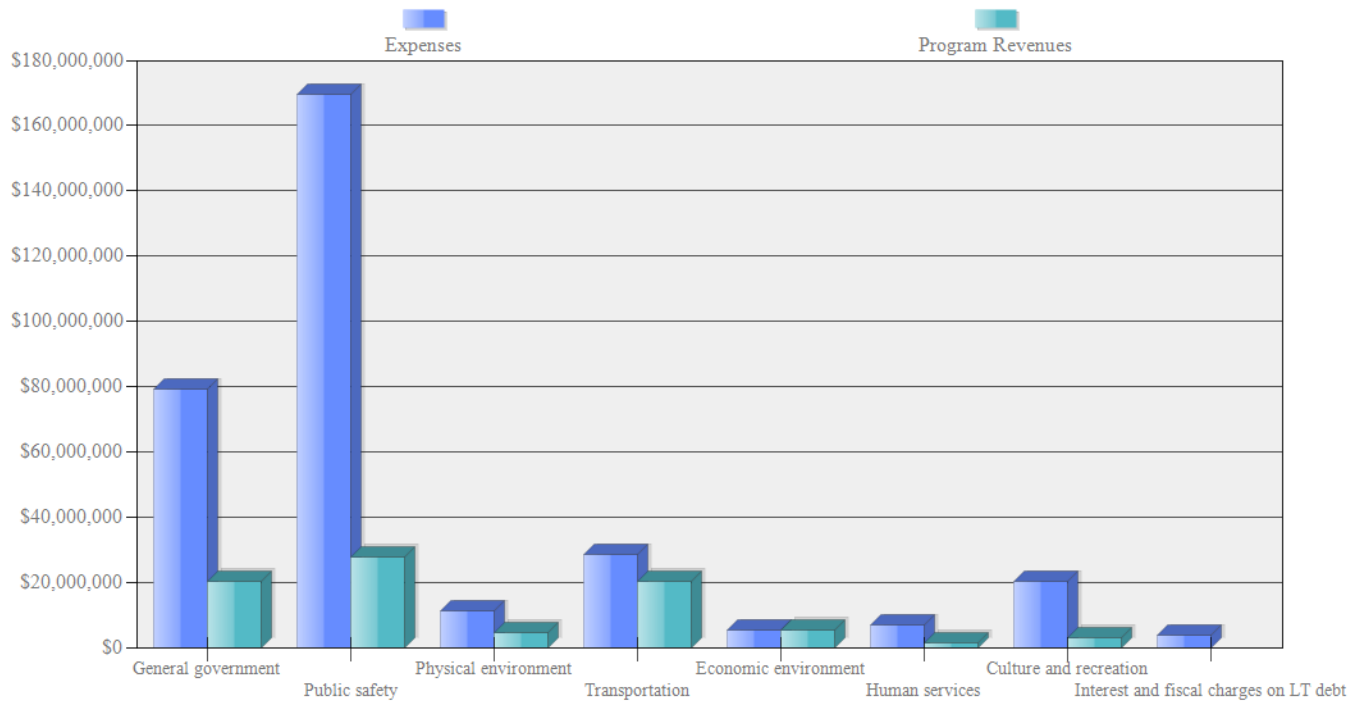
Significant year over year differences in Changes in Net Position are as follows:

Governmental Activities:

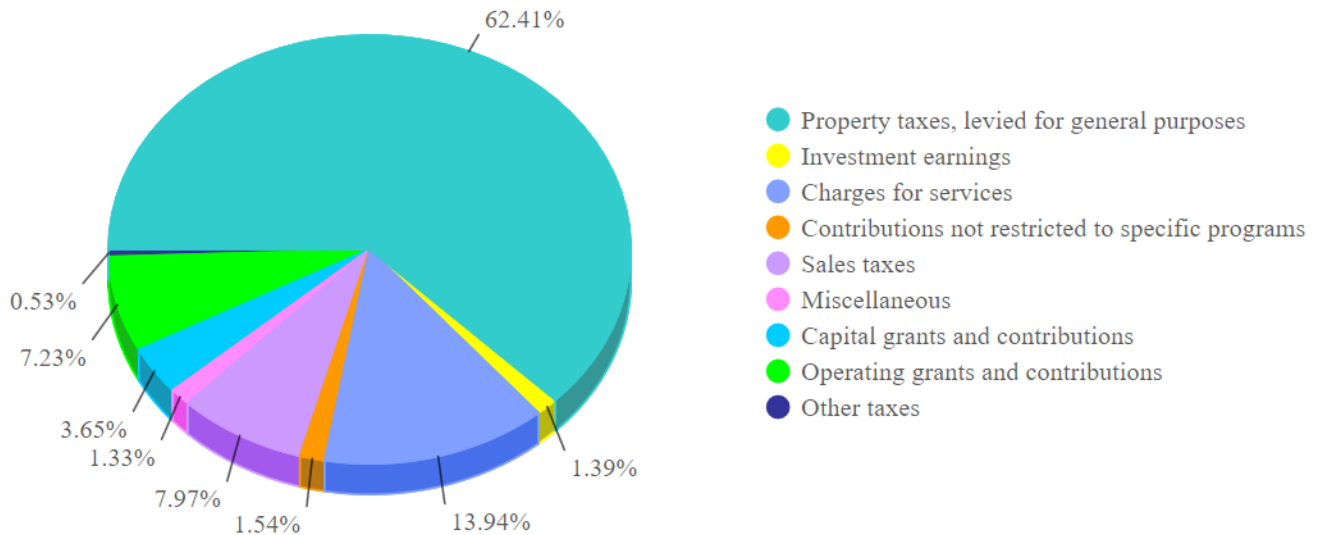
- Charges for services decreased \$8.093 million, or 14.93%, due to a \$2.264 million decrease in special assessment revenue because the prior fiscal year 2019 had a large deferred revenue reclass recognition from a new North River Shores assessment district. Also, impact fees for parks and recreation, physical environment, and transportation were down \$3.185 million. Franchise fees were also down \$0.223 million from lower Florida Power and Light electrical sales, and park and recreation fees decreased \$0.662 million as a result of less social activity during the pandemic lockdown.
- Operating grants and contributions increased \$8.932 million, or 59.61%, due to various grants in the current year, including not only \$7.026 million in CARES funding, but also water restoration and environmental grants, communication system grants, and housing grants.

- Capital grants and contributions increased \$3.254 million, or 36.89%, due to new donations and grant funds such as \$1.7 million for donated land easements, a \$2.0 million grant for beach renourishment, and \$0.5 million for mooring field facility improvements.
- Property taxes increased by \$17.924 million, or 9.51%, due to an increase in the millage rate and the taxable property valuation. The total Countywide average millage rate, which includes regional millage rates, increased from 10.0218% in fiscal year 2019 to 10.3574% in 2020. The taxable property valuation increased 3.05% from last year's property valuation.
- Included in other revenues, miscellaneous revenues saw a \$5.902 million decrease from FY19. The newly incorporated Village of Indiantown made a \$5.9 million contribution in FY19 for County facilities and services within Village boundaries. Beginning FY20 and going forward, Village payments for these services flow through ad-valorem taxes. Also in other revenues, investment earnings were down year-to-year due to exceptionally low investment rates in 2020.
- General government expenses increased by \$2.428 million, or 3.17%. This increase is primarily from a \$0.639 million increase in compensated absences and \$0.990 million for air conditioning chiller plant repair and maintenance.
- Public safety expenses increased by \$14.641 million, or 9.45%. This year, public safety expenses were up mostly because of a \$7.710 million increase in other post-employment expenses. Also, response to the COVID-19 pandemic this year increased costs by \$4.184 million, and there was a year-over-year increase in salaries of \$3.456 million.
- Physical environment expenses decreased by \$6.630 million, or 37.48%, due to payments of \$8.941 million in the prior fiscal year 2019 for the Jupiter Island Beach renourishment project that were not repeated in fiscal year 2020.
- Economic environment expenses increased by \$1.346 million, or 33.15% primarily due to \$0.782 million paid to private organizations for tourism projects recommended by the Tourist Development Council to address the tourism downturn during the pandemic; a \$0.280 million increase for Community Development Block Grant housing expenses; and a \$0.220 million increase in redevelopment activity in the Hobe Sound, Port Salerno, and Golden Gate CRAs.

Expenses and Program Revenues Governmental Activities



Revenues by Source Governmental Activities



Business-type Activities:

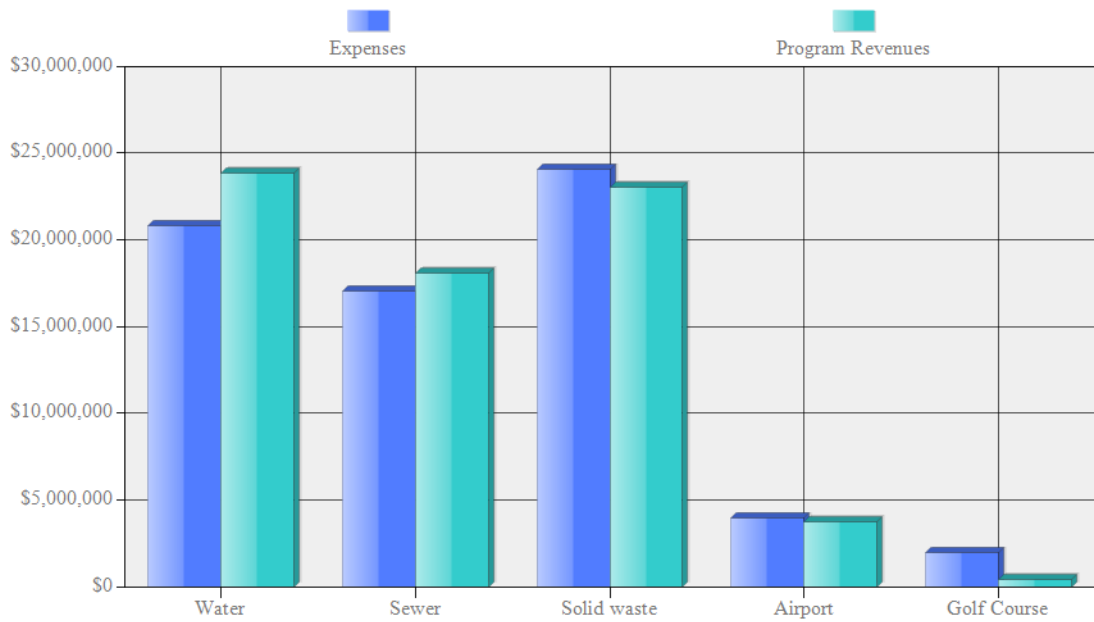
Water/Sewer Utilities:

- Total net position increased by \$6.884 million in fiscal year 2020. Net investment in capital assets for fiscal year 2020 increased \$4.392 million, or 2.36%, compared to 2019, due to increase in capital asset additions, mostly for the septic to sewer program. Unrestricted net position increased \$4.546 million, or 16.64%, in fiscal year 2020 due to the paydown of debt.
- Long-term liabilities in fiscal year 2020 decreased \$2.176 million, or 2.88%, due to the paydown of debt.
- Total operating revenues reflect a 2.84% increase of \$1.024 million in fiscal year 2020 compared to 2019, due to ongoing additional connections and sewer customers added with the septic to sewer program.
- Capital contributions decreased \$3.293 million in fiscal year 2020 from 2019 due to slower activation of developer facilities as a result of the pandemic.
- Operating expenses, excluding depreciation and amortization, increased by \$4.435 million or 24.98% over fiscal year 2019. The increase was due to annual operating increases for repairs, maintenance, and personnel, as well as the cost of the employee early retirement program offered at year-end.

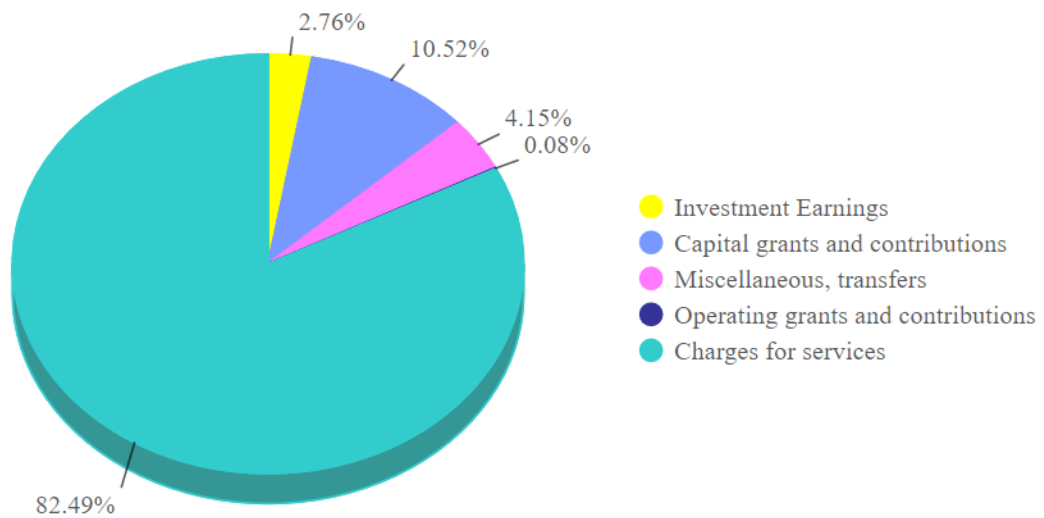
Solid Waste:

- Net position increased decreased by \$0.148 million in fiscal year 2020. Net investment in capital assets for fiscal year 2020 reflects a slight decrease of \$0.157 million compared to fiscal year 2019. Unrestricted net position increased a nominal \$0.009 million to \$14.281 million. Operating levels remained fairly steady in fiscal year 2020.
- Total operating revenues reflect a \$0.170, or 0.74%, increase in fiscal year 2020 as compared to fiscal year 2019. Revenues remained relatively flat year-to-year.
- Operating expenses, net of depreciation, increased by \$1.728 million, or 8.08%, in fiscal year 2020 as compared to fiscal year 2019 due to normal annual cost increases to operations and salary related expenses.

Expenses and Program Revenues Business-type Activities



Revenues by Source Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with State law and finance related legal requirements.

Governmental funds: The focus of governmental funds statements is to provide information on near-term inflows, outflows, and balances of spendable resources. This type of information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2020, the County's governmental funds reported combined ending fund balances of \$228.768 million. Of this total, \$26.009 million, or 11.37%, constitutes unassigned fund balance. By definition, this sum is available for spending at the discretion of the County. The remainder of the fund balance is not available for new spending, since it is allocated to: 1) non-spendable reserves for inventory and permanent fund (\$2.006 million); 2) restricted funds for debt service, grants, federal and state programs, court operations, and other restricted purposes (\$79.695 million); 3) funds committed to purposes determined by the Board of County Commissioners (\$69.735 million); and 4) funds assigned to a variety of other predetermined purposes (\$51.322 million).

The general fund is the primary operating fund of the County. As of September 30, 2020, the total fund balance in this fund was \$43.633 million, while the unassigned fund balance was \$29.753 million. As a measure of the general fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 19.16% of total general fund expenditures, while the total fund balance represents 28.10% of that same amount.

In fiscal year 2020 the fund balance in the County's general fund increased by \$9.572 million. The fund balance increase was a result of an additional \$7.225 million in tax collections and \$7.026 million in CARES funding.

The fund balance for Consolidated Fire/EMS increased to \$14.119 million, an increase of \$4.306 million, primarily due to proceeds from a \$3.000 million capital lease reported in 2020. Revenues net of expenditures produce an excess of revenues over expenditures of \$3.988 million. Revenues increased by \$3.897 million over the prior year, while expenditures increased by \$2.255 million. Both the revenue and expenditure increases were due to expected annual cost increases as well as increased pandemic response activity.

The CRA fund balance increased \$0.980 million. Revenues net of expenses produces excess revenue of \$1.429 million, a decrease of \$0.638 million from last year. Revenues increased by \$0.270 million while expenditures increased by \$0.908 million year over year, contributing to the slight decrease in net change in fund balance. The CRA's share of local intergovernmental revenue increased only \$0.627 million. Activity has remained fairly consistent with the prior year.

The County Buildings fund balance decreased \$3.428 million to \$62.617 million, due to normal fluctuations in ongoing projects and the spenddown of project funds.

Budgetary Highlights

Differences between the original budget and the final amended budget and actual amounts to the final budget of the general fund are illustrated in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – General Fund.

There was a \$8.696 million increase in budgeted expenditures between the FY20 original budget and final amended budget for the general fund resulting from various general government and capital outlay increases. Budgeted revenues were increased \$3.906 million primarily due to a \$3.789 million increase in intergovernmental revenues from CARES Act funding. The general government increased budget in many areas, such as salaries and outside services, to address the unforeseen pandemic response needs. Many of these budget increases were not used. Refer to the following section that addresses major variances for final budget to actual. Issuance of debt increased \$2.352 million to recognize Motorola lease proceeds, and reserves increased \$8.943 million for reserve replenishment.

The Consolidated Fire/EMS fund budget for capital outlay expenditures was increased by \$6.440 million for the prior year budget carryforward of \$2.910 million and an additional \$3.400 million for new current year capital projects for fire vehicles.

The CRA funds final budget increase of \$11.381 million was primarily due to the \$6.911 million prior year budget carryforward for open projects such as Bridge Road Main Street, Port Salerno infrastructure, and Mapp Road Town Center. Subsequent budget amendment increases of \$2.034 million and \$1.575 million were also done for those projects as well as other CRA projects.

Major variances for final budget to actual were as follows:

- The general fund actual tax revenues were \$1.395 million higher than the final budget. *Florida Statutes* require revenues to be budgeted at 95% of reasonably anticipated receipts. The county taxes collected for the general fund were collected at 101.20% of the required budgeted amount.
- Actual intergovernmental revenues exceeded budget by \$5.422 million as a result of the fluid and unpredictable nature of the CARES funding.
- The general fund actual general government expenditures are reporting a variance of \$8.631 million less than budgeted. The primary budget savings resulted from a number of wide-ranging budget increases that were done in anticipation of normal adjustments and COVID-19 responses that were not fully utilized. Some of the larger final budget to actual favorable variances were \$1.352 million in salaries, \$4.354 million for contractual and professional services, chargeback and indirect cost recovery of \$2.600 million, \$0.329 million for health and life insurance, and \$0.316 million for software maintenance.
- The general fund actual culture and recreation expenditures were \$1.020 million lower than the final budget due to reduced communal activity in response to the pandemic keeping operating costs down.
- In the Consolidated Fire/EMS major fund, actual public safety expenditures were under the final budget by \$1.250 million due to actual expenses for unforeseen pandemic responses coming in slightly lower than budgeted. Additionally, capital outlay expenditures were \$4.582 million under budget primarily because the increase in the final budget expected for truck and equipment expense was done to cover potential completion, but actual acquisition was occurring at a slower pace.
- The fund balance for Federal Grants decreased \$0.767 million, partly resulting from \$0.371 million transferred out to the other constitutional offices for pandemic response reimbursements. Also, revenues from federal grant funding fluctuate from year-to-year, as do expenditures. The occurrence of expenditures and the related funding is not always occurring in the same year, causing fund balances to go up some years and down others. The remaining \$0.396 fund balance reduction is from this normal uneven activity.
- In the CRA major fund, capital outlay had \$11.730 million of budget not used. The original budget had been adjusted up in anticipation of potential substantial neighborhood redevelopment in Jensen Beach, Port Salerno, Palm City, and Hobe Sound, but it did not progress as rapidly as the budget was prepared to cover.

Capital Assets and Debt Administration

Capital assets: as of September 30, 2020, the County's investment in capital assets for its governmental and business-type activities amounts to \$990.360 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, park facilities, roads, bridges, sidewalks, and intangible assets. The total County investment in capital assets for the current fiscal year increased \$18.063 million, or 1.86%. Governmental activities investment in capital assets increased \$18.940 million, and business-type decreased \$0.877 million.

Martin County's Capital Assets
(in thousands)

	2020	2019	2020	2019	2020	2019
	Governmental	Governmental	Business-type	Business-type	Government-wide	Government-wide
	Activities	Activities	Activities	Activities	Total	Total
Land and land use rights	\$ 220,753	\$ 218,499	\$ 15,930	\$ 15,894	\$ 236,683	\$ 234,393
Land improvements	64,187	58,536	46,781	44,450	110,968	102,986
Buildings and systems	202,791	185,633	164,350	163,907	367,141	349,540
Other improvements and intangible assets	17,139	16,235	8,445	8,388	25,584	24,623
Machinery & equipment	128,849	119,385	277,937	260,630	406,786	380,015
Infrastructure	615,623	613,574	-	-	615,623	613,574
Construction in progress	46,068	37,673	14,784	19,932	60,852	57,605
Less: accumulated depreciation	(599,457)	(572,522)	(233,820)	(217,917)	(833,277)	(790,439)
Total	<u>\$ 695,953</u>	<u>\$ 677,013</u>	<u>\$ 294,407</u>	<u>\$ 295,284</u>	<u>\$ 990,360</u>	<u>\$ 972,297</u>

Major capital asset additions in the governmental funds included:

- Holt Correctional Facility Roof and Building Improvements \$ 12.0 million
- North River Shores Vacuum Pump Building \$ 4.9 million
- North River Shores Phase II Septic to Sewer \$ 3.4 million
- Motorola Lease for Cell Tower and Communications Improvements \$ 2.4 million
- Dixie Highway Box Culvert \$ 1.3 million
- Traffic Signals Countywide \$ 1.3 million
- Vista Salerno Restoration \$ 1.2 million

Major capital additions to the enterprise funds included:

- Tropical Farms Wastewater Treatment Plant Wastewater Improvements \$ 5.8 million
- Hibiscus Park and Paramount Estate Sewer Project \$ 2.2 million
- Dixie Park Repump Station Rehabilitation \$ 1.6 million
- Tropical Farms Wastewater Treatment Plant Tertiary Filter Improvements \$ 1.3 million
- North River Shores Gravity Sewer Pump Station \$ 1.3 million
- Palm Lake Water Main Project \$ 1.1 million

Additional information on the County's capital assets can be found in Note 4 of the Notes to the Financial Statements.

Martin County's Outstanding Long-Term Obligations
(in thousands)

	2020	2019	2020	2019	2020	2019
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Government-wide Total	Government-wide Total
Compensated absences	\$ 16,955	\$ 15,165	\$ 766	\$ 694	\$ 17,721	\$ 15,859
Obligations under capital leases	28,350	24,552	-	-	28,350	24,552
Revenue bonds/notes	87,918	94,861	55,185	59,675	143,103	154,536
Landfill closure cost	-	-	8,837	9,230	8,837	9,230
Other long-term debt	5,149	5,646	6,973	7,473	12,122	13,119
Total	<u>\$ 138,372</u>	<u>\$ 140,224</u>	<u>\$ 71,761</u>	<u>\$ 77,072</u>	<u>\$ 210,133</u>	<u>\$ 217,296</u>

Long-term obligations: At the end of the current fiscal year, the County had total outstanding bonded debt in the amount of \$143.103 million. This amount represents bonds secured solely by specified revenue sources (revenue bonds).

During fiscal year ended September 30, 2020, the County's overall total long-term obligations decreased by \$7.163 million, or 3.30%. Separately, governmental total long-term obligations decreased by \$1.852 million, or 1.32%, while business-type long-term obligations decreased by \$5.311 million, or 6.89%.

As part of the County's fiscal policies, the ratio of debt service expenditures as a percentage of governmental fund expenditures will not exceed 10%. This ratio for 2020 and 2019 was 4.54% and 4.23%, respectively.

Prior to September 30, 2020, the County entered into a \$2.4 million Motorola Capital Lease to fund the acquisition of a cell tower and communications improvements to enhance public works and public safety performance. The County also entered into a \$3.0 million J. P. Morgan Capital Lease for fire equipment.

Subsequent to September 30, 2020, the County entered into a \$14.5 million loan agreement with the State of Florida Department of Environmental Protection (FDEP), for the construction of a wastewater treatment facility in the Golden Gate area.

The County's bond ratings as of September 30, 2020, were as follows:

	Fitch	S&P
Water and sewer bonds	AA	AA
Half-Cent Sales Tax Revenue Bonds, Series 2019	-	AA

Additional detailed information about the County's long-term debt is presented in Notes 6 through 9 of the financial statements.

Economic Factors

As of July 1, 2020, the County's total taxable values equaled \$22.7 billion, a 3.05% increase as compared to \$22.0 billion in the prior year. The total County-wide average millage, which includes an average for regional MSTU rates, for 2020 is adopted at 10.3574 mills, an increase of 3.35% from 10.0218 mills in 2019.

Requests for Information

This financial report was prepared by the Division of Financial Services of the Office of the Clerk of the Circuit Court in the role as Comptroller for Martin County. Questions concerning any of the information in this report or requests for additional financial information should be addressed to the Martin County Clerk of the Circuit Court, Attn: Division of Financial Services, 100 East Ocean Boulevard, Stuart, Florida, 34994.



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BASIC FINANCIAL STATEMENTS

Martin County, Florida
Statement of Net Position
September 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 36,821,143	\$ 1,335,907	\$ 38,157,050
Restricted cash and cash equivalents	4,548,480	930,768	5,479,248
Investments	218,244,400	56,464,750	274,709,150
Restricted investments	-	6,423,803	6,423,803
Accounts and assessments receivables	4,440,738	5,941,558	10,382,296
Receivable from other governmental agencies	15,441,632	748,921	16,190,553
Inventories	2,041,363	995,268	3,036,631
Internal balances	(203,099)	203,099	-
Assets held for resale or donation	25,460	90,000	115,460
Other current assets	67,809	-	67,809
Total current assets	281,427,926	73,134,074	354,562,000
Noncurrent assets:			
Restricted investments	-	15,816,063	15,816,063
Restricted special assessment notes receivable	-	2,103,004	2,103,004
Total restricted assets	-	17,919,067	17,919,067
Special assessment notes receivable, less current portion	-	6,299,655	6,299,655
Capital assets:			
Land and land use rights - permanent	220,753,122	15,930,414	236,683,536
Land improvements	64,186,862	46,781,380	110,968,242
Buildings and improvements	202,791,483	164,349,795	367,141,278
Infrastructure	615,622,650	-	615,622,650
Equipment	128,848,902	277,936,631	406,785,533
Construction in progress	46,067,531	14,783,955	60,851,486
Intangible - goodwill	-	6,747,420	6,747,420
Intangible - land use rights - temporary	5,714,835	-	5,714,835
Intangible - software	11,423,694	1,697,537	13,121,231
Less accumulated depreciation	(599,456,549)	(233,819,441)	(833,275,990)
Capital assets, net	695,952,530	294,407,691	990,360,221
Total noncurrent assets	695,952,530	318,626,413	1,014,578,943
Total assets	977,380,456	391,760,487	1,369,140,943
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding debt	602,205	3,572,634	4,174,839
Pension	80,903,822	2,716,534	83,620,356
Other postemployment benefits	18,979,290	528,743	19,508,033
Total deferred outflows of resources	100,485,317	6,817,911	107,303,228

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

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Payable from current assets:			
Accounts payable	16,217,076	5,834,535	22,051,611
Accrued wages payable	5,797,713	500,780	6,298,493
Contracts payable	901,014	-	901,014
Due to other governmental agencies	3,583,693	-	3,583,693
Accrued interest payable	1,140,818	11,576	1,152,394
Unearned revenue	23,475	230,108	253,583
Deposits and other liabilities	38,061	-	38,061
Current portion of long term obligations	19,027,451	5,540,072	24,567,523
	<u>46,729,301</u>	<u>12,117,071</u>	<u>58,846,372</u>
Payable from restricted assets:			
Deposits and other liabilities	-	1,124,085	1,124,085
Contracts payable	-	983,215	983,215
	<u>-</u>	<u>2,107,300</u>	<u>2,107,300</u>
Total current liabilities	<u>46,729,301</u>	<u>14,224,371</u>	<u>60,953,672</u>
Noncurrent liabilities:			
Noncurrent portion of long term obligations	119,345,186	66,220,558	185,565,744
Other postemployment benefits liability	172,274,041	3,049,801	175,323,842
Net pension liability	257,497,456	9,022,888	266,520,344
Total noncurrent liabilities	<u>549,116,683</u>	<u>78,293,247</u>	<u>627,409,930</u>
Total liabilities	<u>595,845,984</u>	<u>92,517,618</u>	<u>688,363,602</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	5,242,590	189,856	5,432,446
Other postemployment benefits	17,113,016	190,042	17,303,058
Total deferred inflows of resources	<u>22,355,606</u>	<u>379,898</u>	<u>22,735,504</u>
NET POSITION			
Net investment in capital assets	620,193,915	234,840,965	855,034,880
Restricted:			
Permanent fund - nonexpendable	22,662	-	22,662
Recreation projects	3,148,089	-	3,148,089
Public safety	6,339,730	-	6,339,730
Housing grants and other	4,889,511	-	4,889,511
Debt service	2,714,883	200,037	2,914,920
Capital projects - county buildings	41,579,209	-	41,579,209
Capital projects - transportation projects	18,036,083	-	18,036,083
Capital projects - recreation projects	1,324,386	-	1,324,386
Capital projects - water/sewer projects	-	22,352,238	22,352,238
Airport noise mitigation program	-	90,000	90,000
Clerk of Courts - court operations	1,530,153	-	1,530,153
Permanent fund - expendable	16,408	-	16,408
Unrestricted (deficit)	(240,130,846)	48,197,642	(191,933,204)
Total net position	<u>\$ 459,664,183</u>	<u>\$ 305,680,882</u>	<u>\$ 765,345,065</u>

Martin County, Florida
Statement of Activities
For the Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 79,135,836	\$ 16,486,527	\$ 1,220,651	\$ 2,405,042
Public safety	169,589,316	14,724,266	12,256,617	758,583
Physical environment	11,060,466	88,940	431,302	4,047,779
Transportation	28,414,094	12,119,256	3,305,458	4,697,372
Economic environment	5,405,614	456	5,207,913	125,000
Human services	6,810,278	213,736	1,093,306	-
Culture and recreation	20,177,931	2,492,589	401,414	42,682
Interest and fiscal charges on long-term debt	3,857,091	-	-	-
Total governmental activities	324,450,626	46,125,770	23,916,661	12,076,458
Business-type activities:				
Water	20,783,312	19,511,132	31,975	4,268,374
Sewer	17,002,334	15,963,653	26,161	2,102,333
Solid waste	24,059,828	22,996,139	-	-
Airport	3,980,649	2,322,456	-	1,433,234
Golf Course	1,946,739	415,710	-	-
Total business-type activities	67,772,862	61,209,090	58,136	7,803,941
Total	\$ 392,223,488	\$ 107,334,860	\$ 23,974,797	\$ 19,880,399

GENERAL REVENUES:

TAXES:

Property taxes, levied for general purposes
Sales tax
Communications taxes & other taxes
Contributions not restricted to specific programs
Investment earnings
Miscellaneous
Transfers
Total general revenues and transfers
Changes in net position
Net position - beginning
Net position - ending

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (59,023,616)	\$ -	\$ (59,023,616)
(141,849,850)	-	(141,849,850)
(6,492,445)	-	(6,492,445)
(8,292,008)	-	(8,292,008)
(72,245)	-	(72,245)
(5,503,236)	-	(5,503,236)
(17,241,246)	-	(17,241,246)
(3,857,091)	-	(3,857,091)
<u>(242,331,737)</u>	<u>-</u>	<u>(242,331,737)</u>
-	3,028,169	3,028,169
-	1,089,813	1,089,813
-	(1,063,689)	(1,063,689)
-	(224,959)	(224,959)
-	<u>(1,531,029)</u>	<u>(1,531,029)</u>
-	1,298,305	1,298,305
<u>(242,331,737)</u>	<u>1,298,305</u>	<u>(241,033,432)</u>

206,468,520	-	206,468,520
26,360,535	-	26,360,535
1,754,554	-	1,754,554
5,102,288	-	5,102,288
4,610,976	2,047,743	6,658,719
4,385,411	1,940,870	6,326,281
<u>(1,136,468)</u>	<u>1,136,468</u>	<u>-</u>
<u>247,545,816</u>	<u>5,125,081</u>	<u>252,670,897</u>
5,214,079	6,423,386	11,637,465
<u>454,450,104</u>	<u>299,257,496</u>	<u>753,707,600</u>
<u>\$ 459,664,183</u>	<u>\$ 305,680,882</u>	<u>\$ 765,345,065</u>

Martin County, Florida
Balance Sheet
Governmental Funds
September 30, 2020

	General Fund	Consolidated Fire/EMS	CRA Fund	Federal Grants	County Buildings	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$15,062,319	\$ 1,803,723	\$ 714,022	\$ 653,836	\$ 280,212	\$ 10,192,267	\$ 28,706,379
Cash with fiscal agent	-	3,843,670	-	-	311,310	-	4,154,980
Investments	26,562,942	10,601,708	11,728,248	2,807,346	65,319,802	92,641,893	209,661,939
Accounts receivable	340,443	163,614	-	-	-	151,063	655,120
Assessments receivable	-	-	-	-	-	2,807,729	2,807,729
Due from other funds	5,502,290	45	-	115,443	-	127,284	5,745,062
Due from other governmental agencies	4,269,839	504,754	-	2,406,404	-	8,259,840	15,440,837
Inventories	456,571	571,192	-	-	-	891,449	1,919,212
Assets held for resale or donation	-	-	25,460	-	-	-	25,460
Prepaid items	38,905	4,239	-	20,540	-	125	63,809
Total assets	\$52,233,309	\$ 17,492,945	\$ 12,467,730	\$ 6,003,569	\$ 65,911,324	\$ 115,071,650	\$ 269,180,527
Liabilities							
Accounts payable	\$ 3,311,967	\$ 206,361	\$ 271,851	\$ 1,516,621	\$ 2,818,970	\$ 4,785,408	\$ 12,911,178
Accrued wages payable	2,012,479	2,659,768	28,205	93,239	18,190	958,696	5,770,577
Contracts payable - retainage	2,100	11,122	40,596	88,935	457,630	300,631	901,014
Due to other funds	396,647	-	263	1,341,810	-	2,660,983	4,399,703
Due to other governmental agencies	1,212,475	-	-	2,232,655	-	138,563	3,583,693
Unearned revenue	18,625	-	-	-	-	4,850	23,475
Deposits and other liabilities	38,061	-	-	-	-	-	38,061
Total liabilities	6,992,354	2,877,251	340,915	5,273,260	3,294,790	8,849,131	27,627,701
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	1,608,037	496,944	-	2,360,412	-	8,319,198	12,784,591
FUND BALANCES							
Nonspendable:							
Inventories and assets held for resale	456,571	571,192	-	-	-	891,449	1,919,212
Permanent fund principal	-	-	-	-	-	22,662	22,662
Prepaid items	38,905	4,239	-	20,540	-	125	63,809
Restricted for:							
Bond covenants or debt service	-	-	-	-	-	2,714,883	2,714,883
Culture and recreation projects	-	-	-	-	-	3,148,089	3,148,089
Public safety	-	-	-	-	-	6,150,155	6,150,155
Housing grants and other	414,610	115,418	300,000	459,171	-	1,914,517	3,203,716
Court operations	451,594	-	-	-	-	1,312,724	1,764,318
Capital projects	-	-	-	-	40,267,631	18,727,564	58,995,195
Other restricted purposes	-	-	-	-	-	3,718,929	3,718,929
Committed to:							
Ordinance/MSTU/Other	-	13,780,177	-	-	-	42,516,575	56,296,752
Ordinance/Judicial	-	-	-	-	-	497,530	497,530
Ordinance/Culture and recreation	-	-	-	-	-	83,114	83,114
Ordinance/CRA	-	-	11,801,355	-	-	-	11,801,355
Ordinance/Economic Development	-	-	-	-	-	1,056,613	1,056,613
Assigned to:							
Capital projects	3,913,936	-	-	-	40,718	14,057,047	18,011,701
OPEB	5,197,908	-	-	-	-	-	5,197,908
Disaster recovery	1,542,036	-	-	-	-	-	1,542,036
Employee benefits	434,000	-	-	-	-	-	434,000
Other assigned purposes	1,430,676	-	25,460	-	22,308,185	2,372,483	26,136,804
Unassigned:	29,752,682	(352,276)	-	(2,109,814)	-	(1,281,138)	26,009,454
Total fund balances	43,632,918	14,118,750	12,126,815	(1,630,103)	62,616,534	97,903,321	228,768,235
Total liabilities, deferred inflows and fund balances	\$52,233,309	\$ 17,492,945	\$ 12,467,730	\$ 6,003,569	\$ 65,911,324	\$ 115,071,650	\$ 269,180,527

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

Martin County, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2020

Fund Balances - total governmental funds	\$ 228,768,235
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Deferred outflows of resources related to Pensions and OPEB are recorded in the Statement of Net Position	99,883,112
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:	
Capital assets	1,290,596,730
Accumulated depreciation	(595,788,645)
	<u>694,808,085</u>
Certain grant revenues and other miscellaneous revenues which do not provide current financial resources are reported as unavailable in the governmental funds.	12,784,591
Deferred inflows of resources related to Pensions and OPEB are recorded in the Statement of Net Position.	(22,355,606)
Long-term obligations applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest expense on long-term debt is not accrued in the governmental funds, but rather is recognized when due. Unamortized bond premiums/discounts on long-term debt are not accrued/deferred in governmental funds, but rather are recognized as other financing sources or uses when the debt is issued. All liabilities, both current and long-term, are reported in the Statement of Net Position. Balances as of September 30, 2020, are:	
Compensated absences	(16,896,685)
Capital leases	(28,350,115)
Accrued interest on bonds	(1,140,818)
Revenue bonds	(37,825,000)
Revenue notes	(50,092,985)
Deferred amount on refunding	602,205
Unamortized bond premium	(5,149,303)
Other postemployment benefits liabilities	(172,274,041)
Net pension liabilities	(257,497,456)
Total long term obligations	<u>(568,624,198)</u>
Internal service funds used by management	<u>14,399,964</u>
Net position of governmental activities	<u>\$ 459,664,183</u>

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

Martin County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2020

	<u>General Fund</u>	<u>Consolidated Fire/EMS</u>	<u>CRA Fund</u>	<u>Federal Grants</u>	<u>County Buildings</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES							
Taxes	\$ 118,112,071	\$ 46,870,069	\$ -	\$ -	\$ 15,164,277	\$ 38,469,013	\$ 218,615,430
Permits, fees and special assessments	1,282,159	-	-	-	142,937	18,954,235	20,379,331
Intergovernmental revenues	25,229,940	1,171,453	3,910,935	10,424,320	130,851	14,341,107	55,208,606
Charges for services	13,665,073	7,585,202	-	-	-	4,989,178	26,239,453
Fines and forfeitures	1,256,539	-	-	-	140,055	445,977	1,842,571
Interest income	1,161,628	392,522	189,345	2,575	1,189,669	1,669,479	4,605,218
Contributions - private sources & donations	89,501	51,000	-	-	1,425	915,660	1,057,586
Miscellaneous revenues	6,018,093	124,375	-	-	498,761	1,150,250	7,791,479
Total revenues	<u>166,815,004</u>	<u>56,194,621</u>	<u>4,100,280</u>	<u>10,426,895</u>	<u>17,267,975</u>	<u>80,934,899</u>	<u>335,739,674</u>
EXPENDITURES							
Current:							
General government	52,854,475	3,133,781	-	1,032,317	960,675	7,438,806	65,420,054
Public safety	76,068,679	45,506,027	-	4,961,676	99,210	10,726,926	137,362,518
Physical environment	1,093,874	-	-	83,887	805,614	6,498,451	8,481,826
Transportation	761,526	-	2,271	819,065	538,894	12,299,094	14,420,850
Economic environment	279,193	-	1,190,751	477,332	139	3,367,310	5,314,725
Human services	2,394,289	-	-	382,420	-	3,831,204	6,607,913
Culture and recreation	11,596,961	-	-	3,720	1,131,411	3,579,491	16,311,583
Capital outlay	9,200,419	2,602,770	1,478,375	3,203,715	16,867,813	15,829,248	49,182,340
Debt service:							
Principal	939,830	794,108	-	-	1,403,142	6,942,813	10,079,893
Interest	71,029	140,677	-	-	420,980	3,630,960	4,263,646
Other debt service costs	12,461	29,515	-	-	2,520	13,940	58,436
Total expenditures	<u>155,272,736</u>	<u>52,206,878</u>	<u>2,671,397</u>	<u>10,964,132</u>	<u>22,230,398</u>	<u>74,158,243</u>	<u>317,503,784</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,542,268</u>	<u>3,987,743</u>	<u>1,428,883</u>	<u>(537,237)</u>	<u>(4,962,423)</u>	<u>6,776,656</u>	<u>18,235,890</u>
OTHER FINANCING SOURCES (USES)							
Issuance of debt	3,935,079	3,000,000	-	-	-	-	6,935,079
Transfers in	1,718,236	-	-	141,118	1,684,126	10,472,124	14,015,604
Transfers out	(7,623,829)	(2,681,697)	(448,727)	(371,105)	(150,000)	(5,471,019)	(16,746,377)
Total other financing sources (uses)	<u>(1,970,514)</u>	<u>318,303</u>	<u>(448,727)</u>	<u>(229,987)</u>	<u>1,534,126</u>	<u>5,001,105</u>	<u>4,204,306</u>
Net change in fund balances	<u>9,571,754</u>	<u>4,306,046</u>	<u>980,156</u>	<u>(767,224)</u>	<u>(3,428,297)</u>	<u>11,777,761</u>	<u>22,440,196</u>
Fund balances - beginning	<u>34,061,164</u>	<u>9,812,704</u>	<u>11,146,659</u>	<u>(862,879)</u>	<u>66,044,831</u>	<u>86,125,560</u>	<u>206,328,039</u>
Fund balances - ending	<u>\$ 43,632,918</u>	<u>\$ 14,118,750</u>	<u>\$ 12,126,815</u>	<u>\$ (1,630,103)</u>	<u>\$ 62,616,534</u>	<u>\$ 97,903,321</u>	<u>\$ 228,768,235</u>

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

Martin County, Florida
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2020

Net change in fund balances - total governmental funds	\$ 22,440,196
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 those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Expenditures for capital assets	49,182,342
Depreciation Expense	(31,847,326)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Payment of bond principal and capital leases are expenditures in the governmental funds, but the payments reduce long-term liabilities in the Statement of Net Position.	
Capital lease and loan proceeds	(6,935,079)
Principal payments for loans and notes	6,942,813
Deferred amount on refunding	(100,367)
Deferred amount of bond premium	496,223
Principal payments for capital leases	3,137,080
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt and the accrued legal settlements are not recognized under the modified accrual basis of accounting until they are due, rather than as they accrue.	
Compensated absences	(1,779,480)
Pension expense	(29,573,678)
Accrued interest on long term debt (net of prior year accrual)	69,135
In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets sold, donated, retired or reclassified	
Sold, donated, reclassified or retired assets \$6,090,180 less accumulated depreciation of \$5,052,930	(1,037,250)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Donated property ~ Sheriff	435,987
Donated property ~ Board of Commissioners	2,191,020
Some revenues reported in the Statement of Activities are not reported in the governmental funds because they have no effect on current financial resources.	
	(1,650,380)
Internal service funds are used by management to charge the costs of certain activities to individual funds. Certain net revenue (expense) of internal service funds is reported with governmental activities.	
	(569,996)
The increase in the other postemployment benefit reported in the Statement of Activities does not require the use of current financial resources and therefore is not reported as expenditures in the governmental funds.	
	(6,187,161)
Change in net position of governmental activities	\$ <u>5,214,079</u>

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

Martin County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Taxes	\$ 116,717,068	\$ 116,717,068	\$ 118,112,071	\$ 1,395,003
Permits, fees and special assessments	850,000	850,000	1,282,159	432,159
Intergovernmental revenues	16,019,101	19,808,049	25,229,940	5,421,891
Charges for services	15,215,921	15,296,955	13,665,073	(1,631,882)
Fines and forfeitures	1,476,979	1,476,979	1,256,539	(220,440)
Interest income	752,299	754,299	1,161,628	407,329
Contributions - private sources & donations	1,988,720	2,002,262	89,501	(1,912,761)
Miscellaneous revenues	5,234,477	5,254,477	6,018,093	763,616
Statutory budget reduction	(500,000)	(500,000)	-	500,000
Total revenues	157,754,565	161,660,089	166,815,004	5,154,915
EXPENDITURES				
Current:				
General government	56,037,352	61,485,566	52,854,475	8,631,091
Public safety	76,455,746	76,386,542	76,068,679	317,863
Physical environment	605,483	605,483	1,093,874	(488,391)
Transportation	1,076,651	1,138,339	761,526	376,813
Economic environment	311,406	427,174	279,193	147,981
Human services	2,559,297	2,684,297	2,394,289	290,008
Culture and recreation	12,267,336	12,617,084	11,596,961	1,020,123
Capital outlay	7,225,704	10,781,916	9,200,419	1,581,497
Debt service:				
Principal	1,797,866	906,210	939,830	(33,620)
Interest	104,650	104,650	71,029	33,621
Other debt service costs	4,500	4,500	12,461	(7,961)
Total expenditures	158,445,991	167,141,761	155,272,736	11,869,025
Excess (deficiency) of revenues over (under) expenditures	(691,426)	(5,481,672)	11,542,268	17,023,940
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	2,351,868	3,935,079	1,583,211
Transfers in	755,508	317,845	1,718,236	1,400,391
Transfers out	(4,351,348)	(8,034,554)	(7,623,829)	410,725
Reserves	(13,503,107)	(22,446,135)	-	22,446,135
Total other financing sources (uses)	(17,098,947)	(27,810,976)	(1,970,514)	25,840,462
Net change in fund balances	\$ (17,790,373)	\$ (33,292,648)	\$ 9,571,754	\$ 42,864,402
Fund balances - beginning	17,790,373	34,061,164	34,061,164	
Fund balances - ending	\$ -	\$ 768,516	\$ 43,632,918	

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

Martin County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Consolidated Fire/EMS
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 46,253,307	\$ 46,253,307	\$ 46,870,069	\$ 616,762
Intergovernmental revenues	1,295,835	1,395,627	1,171,453	(224,174)
Charges for services	6,590,870	6,590,870	7,585,202	994,332
Interest income	150,000	150,000	392,522	242,522
Contributions - private sources & donations	-	-	51,000	51,000
Miscellaneous revenues	85,000	85,000	124,375	39,375
Statutory budget reduction	(50,000)	(50,000)	-	50,000
Total revenues	54,325,012	54,424,804	56,194,621	1,769,817
EXPENDITURES:				
Current:				
General government	2,512,971	2,552,041	3,133,781	(581,740)
Public safety	44,780,522	46,755,643	45,506,027	1,249,616
Capital outlay	745,079	7,184,758	2,602,770	4,581,988
Debt service:				
Principal	2,521,492	889,108	794,108	95,000
Interest	140,678	140,678	140,677	1
Other debt service costs	5,000	5,000	29,515	(24,515)
Total expenditures	50,705,742	57,527,228	52,206,878	5,320,350
Excess (deficiency) of revenues over (under) expenditures	3,619,270	(3,102,424)	3,987,743	7,090,167
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	3,000,000	3,000,000	-
Transfers out	(1,080,000)	(2,712,384)	(2,681,697)	30,687
Reserves	(2,539,270)	(6,602,390)	-	6,602,390
Total other financing sources (uses)	(3,619,270)	(6,314,774)	318,303	6,633,077
Net change in fund balances	-	(9,417,198)	4,306,046	\$ 13,723,244
Fund balances - beginning	-	9,812,704	9,812,704	
Fund balances - ending	\$ -	\$ 395,506	\$ 14,118,750	

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

Martin County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
CRA Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Intergovernmental revenues	\$ 3,373,334	\$ 3,910,936	\$ 3,910,935	\$ (1)
Interest income	18,658	18,658	189,345	170,687
Total revenues	<u>3,391,992</u>	<u>3,929,594</u>	<u>4,100,280</u>	<u>170,686</u>
EXPENDITURES:				
Current:				
Transportation	-	-	2,271	(2,271)
Economic environment	605,421	1,104,597	1,190,751	(86,154)
Capital outlay	2,326,409	13,208,032	1,478,375	11,729,657
Total expenditures	<u>2,931,830</u>	<u>14,312,629</u>	<u>2,671,397</u>	<u>11,641,232</u>
Excess (deficiency) of revenues over (under) expenditures	<u>460,162</u>	<u>(10,383,035)</u>	<u>1,428,883</u>	<u>11,811,918</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(448,727)	(748,727)	(448,727)	300,000
Reserves	(11,435)	(1,435)	-	1,435
Total other financing sources (uses)	<u>(460,162)</u>	<u>(750,162)</u>	<u>(448,727)</u>	<u>301,435</u>
Net change in fund balances	-	(11,133,197)	980,156	<u>\$ 12,113,353</u>
Fund balances - beginning	-	11,146,659	11,146,659	
Fund balances - ending	<u>\$ -</u>	<u>\$ 13,462</u>	<u>\$ 12,126,815</u>	

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

Martin County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Federal Grants
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
Intergovernmental revenues	\$ 469,628	\$ 31,524,656	\$ 10,424,320	\$ (21,100,336)
Interest income	-	-	2,575	2,575
Statutory budget reduction	-	-	-	-
Total revenues	<u>469,628</u>	<u>31,524,656</u>	<u>10,426,895</u>	<u>(21,097,761)</u>
EXPENDITURES				
Current				
General government	386,925	2,282,230	1,032,317	1,249,913
Public safety	-	7,422,260	4,961,674	2,460,586
Physical environment	-	37,176	83,887	(46,711)
Transportation	26,948	6,420,119	819,065	5,601,054
Economic environment	-	1,283,268	477,332	805,936
Human services	55,755	778,315	382,420	395,895
Culture and recreation	-	-	3,720	(3,720)
Capital outlay	790,949	13,925,883	3,203,717	10,722,166
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Other debt service costs	-	-	-	-
Total expenditures	<u>1,260,577</u>	<u>32,149,251</u>	<u>10,964,132</u>	<u>21,185,119</u>
Excess (deficiency) of revenues over				
(under) expenses	<u>(790,949)</u>	<u>(624,595)</u>	<u>(537,237)</u>	<u>87,358</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	602,463	141,118	(461,345)
Transfers out	-	-	(371,105)	(371,105)
Total other financing sources (uses)	<u>-</u>	<u>602,463</u>	<u>(229,987)</u>	<u>(832,450)</u>
Net change in fund balances	<u>\$ (790,949)</u>	<u>\$ (22,132)</u>	<u>(767,224)</u>	<u>\$ (745,092)</u>
Fund balances, beginning	<u>790,949</u>	<u>(862,879)</u>	<u>(862,879)</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ (885,011)</u>	<u>\$ (1,630,103)</u>	

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

Martin County, Florida
Statement of Net Position
Proprietary Funds
September 30, 2020

	Business Type Activities Enterprise Funds				Governmental Activities- Internal Service Funds
	Water/ Sewer Utilities	Solid Waste	Nonmajor Enterprise Funds	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 421,049	\$ 278,540	\$ 636,318	\$ 1,335,907	\$ 8,114,764
Restricted cash	930,768	-	-	930,768	393,500
Investments	34,510,174	20,422,861	1,531,715	56,464,750	8,582,461
Restricted investments	5,841,227	582,576	-	6,423,803	-
Accounts receivable	3,845,527	606,897	22,917	4,475,341	977,889
Advance receivable from utilities	-	621,616	-	621,616	-
Special assessments notes receivable, current	1,466,217	-	-	1,466,217	-
Due from other funds	6,981	-	-	6,981	387,584
Receivables from other governmental agencies	-	-	748,921	748,921	795
Inventories	990,332	-	4,936	995,268	122,151
Assets held for resale or donation	-	-	90,000	90,000	-
Prepaid items	-	-	-	-	4,000
Total current assets	48,012,275	22,512,490	3,034,807	73,559,572	18,583,144
Noncurrent assets:					
Advance receivable from utilities	-	6,044,281	-	6,044,281	-
Restricted assets:					
Investments	15,802,838	13,225	-	15,816,063	-
Special assessments notes receivable	2,103,004	-	-	2,103,004	-
Total restricted assets	17,905,842	13,225	-	17,919,067	-
Special assessment notes receivable, less current portion	6,299,655	-	-	6,299,655	-
Capital assets:					
Land and land use rights - permanent	5,974,413	1,836,230	6,875,978	14,686,621	-
Buildings	146,439,040	11,270,752	6,640,003	164,349,795	-
Equipment	9,217,196	5,903,311	1,620,506	16,741,013	4,812,349
Water distribution system	123,937,989	-	-	123,937,989	-
Sewer collection system	137,257,629	-	-	137,257,629	-
Land improvements	-	12,324,989	1,355,456	13,680,445	-
Airport improvements	-	-	33,100,935	33,100,935	-
Construction in progress	13,001,227	139,960	1,642,768	14,783,955	-
Intangible assets	9,662,823	15,850	10,077	9,688,750	-
Less accumulated depreciation	(195,411,248)	(19,147,181)	(19,261,012)	(233,819,441)	(3,667,904)
Capital assets, net	250,079,069	12,343,911	31,984,711	294,407,691	1,144,445
Total noncurrent assets	274,284,566	18,401,417	31,984,711	324,670,694	1,144,445
Total assets	322,296,841	40,913,907	35,019,518	398,230,266	19,727,589
DEFERRED OUTFLOWS OF RESOURCES					
Loss on refunding debt	3,572,634	-	-	3,572,634	-
Pension	2,061,486	452,285	202,763	2,716,534	-
Other postemployment benefits	466,266	32,178	30,299	528,743	-
Total deferred outflows of resources	6,100,386	484,463	233,062	6,817,911	-

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

	Business Type Activities Enterprise Funds				Governmental Activities- Internal Service Funds
	Water/ Sewer Utilities	Solid Waste	Nonmajor Enterprise Funds	Total	
LIABILITIES					
Current liabilities:					
Payable from current assets:					
Accounts payable and accrued claims	1,753,514	3,755,050	325,971	5,834,535	3,305,898
Accrued wages payable	373,173	85,179	42,428	500,780	27,136
Due to other funds	-	6,981	150,000	156,981	1,582,943
Accrued interest payable	11,576	-	-	11,576	-
Accrued compensated absences, current	135,384	18,636	38,100	192,120	43,000
Current portion of loans and notes payable	160,376	-	-	160,376	-
Current portion of advance from solid waste	621,616	-	-	621,616	-
Unearned revenue	-	217,427	12,681	230,108	-
	<u>3,055,639</u>	<u>4,083,273</u>	<u>569,180</u>	<u>7,708,092</u>	<u>4,958,977</u>
Payable from restricted assets:					
Landfill closure costs, current	-	582,576	-	582,576	-
Deposits	1,124,085	-	-	1,124,085	-
Contracts payable	983,215	-	-	983,215	-
Bonds payable current portion	4,605,000	-	-	4,605,000	-
	<u>6,712,300</u>	<u>582,576</u>	<u>-</u>	<u>7,294,876</u>	<u>-</u>
Total current liabilities	<u>9,767,939</u>	<u>4,665,849</u>	<u>569,180</u>	<u>15,002,968</u>	<u>4,958,977</u>
Noncurrent liabilities:					
Accrued compensated absences	416,693	122,503	34,755	573,951	15,549
Other postemployment benefits liability	2,689,435	185,603	174,763	3,049,801	-
Net pension liability	6,847,165	1,502,253	673,470	9,022,888	-
Loans and notes payable	686,859	-	-	686,859	-
Advance from solid waste	6,044,281	-	-	6,044,281	-
Bonds payable, net of current portion	56,705,608	-	-	56,705,608	-
Landfill closure costs	-	8,254,140	-	8,254,140	-
Total noncurrent liabilities	<u>73,390,041</u>	<u>10,064,499</u>	<u>882,988</u>	<u>84,337,528</u>	<u>15,549</u>
Total liabilities	<u>83,157,980</u>	<u>14,730,348</u>	<u>1,452,168</u>	<u>99,340,496</u>	<u>4,974,526</u>
DEFERRED INFLOWS OF RESOURCES					
Pension	144,077	31,610	14,169	189,856	-
Other postemployment benefits	167,587	11,565	10,890	190,042	-
Total deferred inflows of resources	<u>311,664</u>	<u>43,175</u>	<u>25,059</u>	<u>379,898</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	190,512,341	12,343,911	31,984,712	234,840,964	1,144,445
Restricted:					
Capital projects	22,352,238	-	-	22,352,238	-
Bond covenants or debt service	200,037	-	-	200,037	-
Noise abatement projects	-	-	90,000	90,000	-
Unrestricted	31,862,967	14,280,936	1,700,641	47,844,544	13,608,618
Total net position	<u>\$ 244,927,583</u>	<u>\$ 26,624,847</u>	<u>\$ 33,775,353</u>	<u>305,327,783</u>	<u>\$ 14,753,063</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				353,099	
Net position business-type activities				<u>305,680,882</u>	

Martin County, Florida
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2020

	Business Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Water/Sewer Utilities	Solid Waste	Nonmajor Enterprise Funds	Total
OPERATING REVENUES				
Charges for services	\$ 35,474,785	\$ 22,996,139	\$ 2,738,166	\$ 61,209,090
Miscellaneous revenues	1,569,893	320,928	50,049	1,940,870
Total operating revenues	37,044,678	23,317,067	2,788,215	63,149,960
OPERATING EXPENSES				
Salaries and related expenses	10,218,990	2,057,692	1,030,707	13,307,389
General and administrative and claims	3,326,145	1,596	798,192	4,125,933
Operating and maintenance	8,644,271	20,674,158	1,807,781	31,126,210
Landfill closure and post closure care costs	-	397,147	-	397,147
Depreciation and amortization	13,121,776	938,837	2,292,805	16,353,418
Total operating expenses	35,311,182	24,069,430	5,929,485	65,310,097
Operating income (loss)	1,733,496	(752,363)	(3,141,270)	(2,160,137)
NONOPERATING REVENUES				
(EXPENSES)				
Interest income	1,416,685	604,216	26,842	2,047,743
Grant income	58,136	-	-	58,136
Interest expense	(2,188,988)	-	-	(2,188,988)
Amortization of bond discount	(419,654)	-	-	(419,654)
Gain (loss) on disposition of capital assets	110,021	-	-	110,021
Total net nonoperating revenues				
(expenses)	(1,023,800)	604,216	26,842	(392,742)
Income (loss) before contributions and transfers	709,696	(148,147)	(3,114,428)	(2,552,879)
Capital contributions	6,370,707	-	1,438,929	7,809,636
Transfers in	-	-	1,326,731	1,326,731
Transfers out	(195,958)	-	-	(195,958)
Change in net position	6,884,445	(148,147)	(348,768)	6,387,530
Total net position - beginning	238,043,138	26,772,994	34,124,121	15,287,205
Total net position - ending	\$ 244,927,583	\$ 26,624,847	\$ 33,775,353	\$ 14,753,063
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				35,854
Change in net position business type activities				\$ 6,423,384

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



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Martin County, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2020

	Business Type Activities Enterprise Funds				Governmental Activities - Internal Service Funds
	Water/Sewer Utilities	Solid Waste	Non-Major Enterprise Funds	Total	
CASH FROM OPERATING ACTIVITIES:					
Receipts from customers	\$ 35,126,948	\$ 22,902,050	\$ 2,736,812	\$ 60,765,810	\$ 38,769,367
Other receipts	1,569,893	320,928	50,049	1,940,870	3,927,820
Payments for salaries and benefits	(7,810,768)	(1,550,383)	(775,885)	(10,137,036)	(590,367)
Payments to suppliers	(11,866,408)	(21,358,236)	(3,099,590)	(36,324,234)	(42,343,761)
Payments for long-term care costs	-	(397,147)	-	(397,147)	-
Payments for landfill closure cost	-	(393,365)	-	(393,365)	-
Other payments	(52,265)	29,985	-	(22,280)	-
Net cash provided (used) by operating activities	16,967,400	(446,168)	(1,088,614)	15,432,618	(236,941)
CASH FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers from (to) other funds	(195,958)	12,950	1,326,731	1,143,723	1,600,000
CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital grants received	92,891	-	1,844,465	1,937,356	-
Capital contributions	2,059,158	-	-	2,059,158	8,830
Distribution of special assessment fees	4,668,215	-	-	4,668,215	-
Purchases of capital assets	(13,032,979)	(781,419)	(1,906,418)	(15,720,816)	(546,860)
Advances from other funds for capital activities	(606,222)	606,222	-	-	-
Principal paid on capital debt	(4,646,082)	-	-	(4,646,082)	-
Proceeds from sale of assets	133,484	-	-	133,484	152,337
Interest payment on bonds, notes and loans	(2,535,197)	-	-	(2,535,197)	-
Net cash provided (used) by capital and related financing activities	(13,866,732)	(175,197)	(61,953)	(14,103,882)	(385,693)
CASH FROM INVESTING ACTIVITIES:					
Purchase of investments	(6,040,651)	(377,284)	(811,910)	(7,229,845)	(3,722,560)
Interest received	1,416,685	604,216	26,842	2,047,743	139,857
Net cash used in investing activities	(4,623,966)	226,932	(785,068)	(5,182,102)	(3,582,703)
Net increase (decrease) in cash and cash equivalents	(1,719,256)	(381,483)	(608,904)	(2,709,643)	(2,605,337)
Cash and cash equivalents at beginning of period	3,071,073	660,023	1,245,222	4,976,318	11,113,601
Cash and cash equivalents at end of period	<u>\$ 1,351,817</u>	<u>\$ 278,540</u>	<u>\$ 636,318</u>	<u>\$ 2,266,675</u>	<u>\$ 8,508,264</u>

(continued)

Martin County, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2020

	Business Type Activities				Governmental
	Enterprise Funds				Activities -
	Water/Sewer		Non-Major		Internal
	Utilities	Solid Waste	Enterprise	Total	Service
			Funds		Funds
RECONCILIATION OF OPERATING					
INCOME (LOSS) TO NET CASH					
PROVIDED (USED) BY OPERATING					
ACTIVITIES:					
Operating income (loss)	\$ 1,733,496	\$ (752,363)	\$ (3,141,270)	\$ (2,160,137)	\$ (2,435,166)
Adjustments to reconcile operating income (loss)					
to net cash provided (used) by operating					
activities:					
Depreciation and amortization	13,121,776	938,837	2,292,805	16,353,418	532,701
Changes in assets and liabilities:					
Accounts receivable, net	(347,837)	(94,089)	(3,797)	(445,723)	(24,487)
Deferred outflows, pension	(815,459)	(166,963)	(89,355)	(1,071,777)	-
Deferred outflow - OPEB	(340,997)	(23,533)	(22,159)	(386,689)	-
Unearned revenue	-	-	2,443	2,443	-
Due from other funds	-	-	-	-	1,529,085
Inventories	58,878	-	(3,256)	55,622	29,103
Other current assets	2,214	-	660	2,874	-
Accounts payable	42,916	(682,482)	(491,021)	(1,130,587)	116,156
Accrued wages	83,498	16,099	16,335	115,932	5,070
Deferred inflows, pension	(161,584)	(38,382)	(13,651)	(213,617)	-
Deferred inflow - OPEB	(26,431)	(1,825)	(1,717)	(29,973)	-
Net pension liability	3,125,398	650,022	334,735	4,110,155	-
Other post-employment benefits	506,740	34,971	32,928	574,639	-
Landfill closure costs	-	(393,365)	-	(393,365)	-
Accrued compensated absences	37,057	36,920	(2,294)	71,683	10,597
Customer deposits	(52,265)	29,985	-	(22,280)	-
Net cash provided (used) by operating					
activities:	\$ 16,967,400	\$ (446,168)	\$ (1,088,614)	\$ 15,432,618	\$ (236,941)
NONCASH INVESTING, CAPITAL, AND					
FINANCING ACTIVITIES:					
Contributions of capital assets	\$ -	\$ -	\$ 5,695	\$ 5,695	\$ 8,830

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

Martin County, Florida
Statement of Fiduciary Net Position
Fiduciary Funds
As of September 30, 2020

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 35,401	\$ 9,603,793
Investments	428,392	992,129
Accounts receivable	-	360,219
Total assets	<u>463,793</u>	<u>10,956,141</u>
LIABILITIES		
Accounts payable	-	314,816
Due to other governmental agencies	-	5,102,778
Deposits from individuals and corporations	-	5,538,547
Total liabilities	<u>-</u>	<u>\$ 10,956,141</u>
NET POSITION		
Net position held in trust	<u>\$ 463,793</u>	

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

Martin County, Florida
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2020

	Private Purpose Trust Funds
ADDITIONS:	
Fines and forfeitures	\$ 71,421
Interest income	<u>7,250</u>
Total additions	<u>78,671</u>
DEDUCTIONS:	
Human services	<u>64,710</u>
Total deductions	<u>64,710</u>
Change in net position	13,961
Net position - beginning	<u>449,832</u>
Net position - ending	<u><u>\$ 463,793</u></u>

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



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Martin County, Florida

September 30, 2020

NOTES TO THE FINANCIAL STATEMENTS

TABLE OF CONTENTS

PAGE

Note 1 - Summary of Significant Accounting Policies.....	41
Note 2 - Cash and Cash Equivalents and Investments.....	51
Note 3 - Interfund Receivables and Payables	56
Note 4 - Capital Assets	57
Note 5 - Fund Balance Deficits	60
Note 6 - Long-Term Obligations.....	60
Note 7 - Long-Term Liabilities - Enterprise Funds.....	65
Note 8 - Lease Commitments.....	69
Note 9 - Long Term Liabilities – Enterprise Funds – Solid Waste.....	69
Note 10 - Capital Contributions.....	70
Note 11 - Interfund Transfers	70
Note 12 - Property Tax.....	71
Note 13 - Tax Abatements.....	71
Note 14 - Defined Benefit Pension Plan.....	72
Note 15 - Other Postemployment Benefits (OPEB).....	80
Note 16 - Risk Management.....	85
Note 17 - Contingencies.....	86
Note 18 - Subsequent Events.....	86
Note 19 - New Accounting Pronouncements.....	86

Martin County, Florida
Notes to Financial Statements
September 30, 2020

Note 1 - Summary of Significant Accounting Policies

The significant accounting policies followed by Martin County, Florida are summarized below:

A. General Information

Martin County (the “County”) is a political subdivision of the State of Florida. The County operates as a non-charter government pursuant to Article VIII, Section (1) (f) of the Constitution of the State of Florida. The fiscal year of the County is from October 1st to September 30th, as established in Section 218.33, *Florida Statutes*.

B. Reporting Entity

The Martin County Board of County Commissioners (the “Board”), a five-member board elected by the County citizenry at-large, governs the County. In addition, the Clerk of the Circuit Court (the “Clerk”), Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector are elected by the citizenry at-large and function independently of the Board. These Constitutional Officers are reported as part of the County since the Board approves their budgets and/or their funding is either partially or totally derived from ad valorem taxes levied on the County taxpayers.

For financial reporting purposes, the County includes all funds of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on the foregoing criteria, financial data of the departments under the Board, the Constitutional Officers, and the Metropolitan Planning Organization, which is not legally separate from the County, are included in the County's Comprehensive Annual Financial Report.

The Board is responsible for appointing the members of the Martin County Health Facilities Authority and the Martin County Industrial Development Authority, but the Board's accountability for these organizations does not extend beyond making the appointments and, therefore, these organizations are not included in these financial statements.

In addition, the following entities do not meet the aforementioned criteria and, therefore, are not included in these financial statements.

- Martin County School Board
- South Florida Water Management District
- Indiantown Drainage District
- Griswald Barton Drainage District
- Troop Indiantown Drainage District
- Hobe Grove Association
- Pal Mar Water Management District

The members of the governing bodies of these organizations are elected. They have the authority to levy ad valorem taxes. Outstanding debt is not an obligation of the County and the County is not directly accountable for their fiscal matters.

Blended Component Unit: Martin County Community Redevelopment Agency (the “CRA”)

The CRA was established under the authority of F.S. 163, Part III, the Community Redevelopment Act, 1969, as amended (the “Statute”), and became effective upon adoption and filing of the County Ordinance #517 on June 24,

Martin County, Florida
Notes to Financial Statements
September 30, 2020

1997, (codified as Chapter 7 1/3 of the Code of Laws and Ordinances of Martin County). There are currently six neighborhoods within the County CRA.

The CRA is a policy-making body with the authority to adopt plans and set priorities for the planning, implementation, coordination, and funding of community redevelopment projects. The CRA is charged to act in accordance with the Statute, the Martin County Comprehensive Growth Management Plan (the “CGMP”), Chapter 7 1/3 of the Code of Laws and Ordinances of Martin County, and the 2020 Vision Plan for a Sustainable Martin County (the “Vision Plan”). Effective this year, the CRA will be issuing separate stand-alone audited financial statements. CRAs are being reported as a major governmental fund for fiscal year 2020 in the County's Comprehensive Annual Financial Report.

The CRA is reported as a blended component unit because when the primary government and the component unit have substantively the same governing body and operational responsibility, accounting principles accepted in the United States of America (GAAP) consider the component unit to be an integral part of the primary government. The CRA is substantively controlled by and fiscally dependent on the Board and provides services exclusively or almost exclusively for the benefit of the County.

C. Basic Financial Statements

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize activities as either governmental or business-type. In the government-wide Statement of Net Position, both the governmental and business-type activities columns are prepared using the economic resources measurement focus and accrual basis of accounting, which incorporates long-lived assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net costs per functional category (general government, public safety, physical environment, culture and recreation, etc.), which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues (charges for services, operating and capital grants and contributions). The program revenues must be directly associated with the function or a business-type activity. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

For governmental activities the net cost (by function) is normally funded by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.).

The emphasis of the fund financial statements is on the major funds in either the governmental or business-type categories. Non-major funds (by category) are summarized into a single column. Fund accounting, as described in Note D, below, is still utilized for the day-to-day operations of the County. The governmental funds in the fund financial statements are presented on the current financial resources measurement focus and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the County's actual experience conforms to the budget fiscal plan.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the page following each statement, to briefly explain the adjustments necessary to reconcile the governmental fund financial statements with the governmental activities column of the government-wide presentation.

Internal service funds of a government, which traditionally provide services primarily to other funds of the government, are presented in the summary form as part of the proprietary fund financial statements. Since the principal users of the internal services are the County's governmental activities, financial statements of internal

Martin County, Florida
Notes to Financial Statements
September 30, 2020

service funds are consolidated into the governmental activities column when presented at the government-wide level. A portion of the internal service funds is included in the business-type activity column. To the extent possible, the costs of these services are reflected in the appropriate functional activity.

The County's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

D. Basis of Presentation

The accounting records of the County are organized on the basis of funds as prescribed by accounting principles generally accepted in the United States of America ("GAAP") applicable to governments as established by the Governmental Accounting Standards Board ("GASB"). The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues and expenditures/expenses. Separate funds are maintained to account for specific government activities or to comply with special regulations or legal restrictions.

The County reports the following major governmental funds:

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

Consolidated Fire/EMS MSTU: This fund was created by County ordinance to account for fire and emergency medical service programs. Revenue sources for this fund include ad valorem taxes, grants and charges for services.

Martin County Community Redevelopment Agency (CRA): This fund was created by County ordinance and is used to account for activities of the six neighborhoods within the CRA.

Federal Grants: This fund accounts for the entire County's federal grants that do not require separate presentation, by statutes, or by grant covenant.

County Buildings: This fund includes accounts for capital projects associated with County buildings.

The County reports the following major enterprise funds:

Water and Sewer Utilities: This fund accounts for the operation, maintenance and development of the County's water and sewer utilities system.

Solid Waste: This fund accounts for the operation, maintenance and long-term care of the County's landfill and disposal sites.

Additionally, the County reports the following fund types:

Internal service funds account for the insurance coverage and the vehicle maintenance services provided to County departments and agencies on a cost reimbursement basis.

The *private-purpose trust funds* are used to account for resources held and administered by the County, as a fiduciary agent for individuals, private organizations or other governments. The Annie Myers Trust was set up to use funds available to support a home for the aged, or for a similar type project. All the resources of the Annie Meyers Trust may be used to support its activities. The Dori Slosberg Education Trust facilitates distribution of grants for driving safety education.

Martin County, Florida
Notes to Financial Statements
September 30, 2020

The *agency funds* are used to report resources held by the County in a purely custodial capacity (assets equal liabilities). The Board of County Commissioners agency fund holds various impact fees collected on behalf of other government agencies as well as miscellaneous deposits. The Clerk's agency funds hold fines and fees due to other governmental agencies and various court related deposits. The Sheriff's agency funds hold monies collected by various Sheriff Departments, other governmental units or individuals. Sources of monies come from drug and traffic stops, various process and traffic fees, deposits, bonds, and inmate and recruit's property. The Tax Collector's agency fund holds taxes that have been collected and are due to other governmental agencies.

E. Basis of Accounting and Measurement Focus

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for the agency fund which has no measurement focus and is reported using 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. Property taxes 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 have been met.

The governmental fund type measurement focus is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination. These funds are maintained on the modified accrual basis of accounting. Revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to pay liabilities of the current period. For this purpose the County considers revenue to be available if they are collected within 60 days.

Expenditures are recognized in the accounting period in which the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated sick and vacation pay, which are not recorded as expenditures because these amounts will not be paid from expendable available resources and (2) principal and interest on general long-term debt, claims and judgments, pensions, and other postemployment benefits, which are recognized when due.

In applying the "susceptible to accrual" concept to intergovernmental revenues (grants, entitlements and shared revenue), the legal and contractual requirements of the numerous individual programs are used as guidance. There are essentially two types of these revenues. In one, monies must be expended on the specific purpose before the County will earn any amounts (eligibility requirement); therefore, revenues are recognized based upon when the expenditures are made. In the other, monies are revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if they meet the criterion of availability. Property taxes are recorded as revenues in the fiscal year in which they are levied for.

Licenses and permits, charges for services and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash, because generally cash is received upon the rendering of services. Investment earnings and most fines and forfeitures are recorded as earned since they are measurable and available.

The proprietary fund types' measurement focus is upon determination of net income, financial position and changes in cash flows and is maintained on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer functions, solid waste operation, and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special

Martin County, Florida
Notes to Financial Statements
September 30, 2020

assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds and internal service funds are charges to customers for sales and services. The County recognizes as operating revenue the portion of capital facilities fees intended to recover the cost of connecting new customers to the water and sewer utility operation. Operating expenses for enterprise funds and internal service funds include the cost of operations and maintenance, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

F. Budgets

Budgets for all funds are prepared on a basis consistent with GAAP, with the exception of the budgeting of capital assets and contributed capital in the Enterprise Funds, which are budgeted as capital outlay expenditures and revenues, respectively. Budgets are balanced, meaning that total appropriations are equal to total revenues. Revenues are budgeted at 95% of anticipated receipts in accordance with Chapter 129, *Florida Statutes*. Budgets are legally adopted for the general, special revenue, debt service and capital projects funds as required by law, except for the Sheriff's special revenue funds. The Sheriff's special revenue funds are made up of various contracts and grants, and do not require a budget.

The budget process begins with the development of estimates by the Board's departments. The estimates are reviewed, analyzed and submitted to the Board for consideration on or about July 15th. The Board conducts several workshops to thoroughly review the budget and make adjustments as appropriate. Prior to September 30, two public hearings are conducted to hear comments and questions from the public regarding the budget. The budget is adopted at the second public hearing through formal resolution of the Board.

Budgets are adopted at the fund total level. Therefore, formal budgetary control is exercised at that level. Expenditures in excess of appropriations in one or more departments of a fund do not constitute a violation of budgetary controls as long as the total expenditures do not exceed total appropriations for the fund. Management employs lower level (departmental) controls, however, to prevent or reduce the potential for budget overruns at the fund total level.

During the year, the Office of Budget and Finance acts on intradepartmental budget changes that do not alter the total revenue or expenditures budgeted to a cost center. The Board, whether they are transfers between departments or alterations of total revenues or expenditures in a fund, approves all other budget changes. Supplemental appropriations were necessary and the Board amended the budgetary data presented herein during the year in a legally permissible manner.

The County sets aside reserves to address unforeseen and unexpected events and to offset unexpected downturns in revenues from budgeted estimates. It is an objective of the County to maintain a managed reserve in the various operating funds at a level sufficient for temporary financing of unforeseen emergency needs and to permit orderly adjustment to changes resulting from termination of revenue sources through actions of other governmental bodies. Uses of reserves through budget transfers require Board or other Constitutional Officer's approval.

G. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded as a reservation of budget, is employed as an extension of the statutorily required budgetary process. Under *Florida Statutes*, appropriations, even if encumbered, lapse at fiscal year-end. In the accompanying

Martin County, Florida
Notes to Financial Statements
September 30, 2020

financial statements the encumbered amounts are reported as restricted, committed or assigned based on the purpose of the related resources.

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1. Cash and Cash Equivalents

Cash reported in the financial statements includes demand deposits, cash on hand, and short-term investments in highly liquid external local government investment pools with maturities of ninety days or less when purchased.

2. Investments

The County maintains a cash and investment pool that is available for use by all funds. Earnings from the pooled investments are allocated to the respective funds based on applicable cash participation by each fund. The investment pool is managed such that all participating funds have the ability to deposit and withdraw cash as if they were demand deposit accounts. Therefore, all balances representing participants' equity in the investment pools are classified as cash and cash equivalents for financial statement purposes.

Except where otherwise specified, the County's investments are reported at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. This standard requires investments reported in the Statement of Net Position to be measured at fair value consistent with an exchange-like transaction between willing parties, other than in a forced liquidation or sale. Governmental external investment pools may report short-term debt investments at amortized cost, provided the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or other factors. For that purpose, a pool's short-term investments are those with remaining maturities of up to ninety days.

In June 2010, the GASB issued Statement No. 59, *Financial Instruments Omnibus*, which clarified investments in 2a-7-like pools should be measured at the net asset value per share. The net asset value per share generally is calculated on a basis other than fair value, such as the amortized cost method.

In December, 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. As a result of the SEC's changes to Rule 2a-7, most notably with a change in fund transactions to be recorded at a floating instead of stable net asset value per share, as well as the ability of money market funds to now impose liquidity fees and redemption gates, external investment pools would subsequently lose the ability to report the pool's value at amortized cost. GASB Statement No. 79 addresses accounting and financial reporting for certain external investment pools, by creating an exception to allow for the continued reporting at amortized cost contingent upon adherence to the exceptions within Paragraph 4, and as further delineated in subsequent sections of the new standard.

The Florida PRIME external investment pool is a highly liquid pool with a weighted average maturity less than 90 days. Florida PRIME currently meets all of the necessary criteria as established by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* to be reported at amortized cost, and is not operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Therefore, the County's participating balance is considered the fair value of the investment. Because the fair value of the County's investment in Florida PRIME is measured at amortized cost, it is exempt from the scope of GASB Statement No. 72 fair value hierarchy disclosures.

The Florida Local Government Investment Trust (the Trust) was created and established under the laws of the state of Florida for the purpose of providing opportunities for the investment of excess public funds. The Trust is operated and administered by a Board of Trustees consisting of six members, three appointed by the Florida

Martin County, Florida
Notes to Financial Statements
September 30, 2020

Association of Court Clerks, Inc., and three appointed by the Florida Association of Counties, Inc. The Trust is self-regulated and is not registered with the Securities and Exchange Commission.

The Trust offers two investment funds to its participants, the Short Term Bond Fund and the Day to Day Fund. The Short Term Bond Fund is a longer term, higher yielding fund, which is accounted for as a fluctuating Net Asset Value (NAV) pool. The Short Term Bond Fund does not meet the criteria as established by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* to be reported at amortized cost, and is not operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Therefore, the fair value of the County's investments in the Short Term Bond Fund is determined at the NAV fair value per share in accordance with GASB Statement No. 31. Also, because the County's investment in the Short Term Bond Fund is measured at a NAV fair value per share, it is excluded from categorization within the fair value hierarchy of GASB Statement No. 72.

The Day to Day Fund is a highly liquid fund with underlying investments having a weighted average maturity of less than 90 days. The Day to Day Fund does meet the criteria as established by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* to be reported at amortized cost, and does have a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. However, because the fund is reported at amortized cost, it is also excluded from categorization within the fair value hierarchy of GASB Statement No. 72.

3. Receivables

Receivables are recorded at net collectible amounts. No allowances have been established as they are not deemed to be necessary by management based upon historical collections. These allowances relate to the enterprise funds and are not significant. Billings to water utility customers are based on metered consumption which is determined at various dates each month. Estimated unbilled consumption at year-end is recognized as revenue in the water and sewer utilities enterprise fund.

A non-current special assessment receivable is recorded for contributed capital resulting from special assessment projects. A portion of the balance is reclassified as a current special assessment receivable. This current portion is estimated based on the actual tax billing by the Tax Collector. No allowance is recorded because liens are recorded against assessed property. Special assessments capital contribution revenue are recognized when the project has final acceptance and the amounts have been added to the tax roll.

4. Interfund Activities

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, when reported in the governmental fund financial statements, are recorded as non-spendable fund balance in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable, available financial resources.

5. Internal Balances

The County is reporting a net Internal Balance amount of \$203,099 (negative for Governmental Activities and positive for Business-Type Activities) for fiscal year 2020. A portion of this amount consists of \$150,000 that is an interfund loan between business-type and governmental activities, with the Golf Course borrowing this amount from the General Fund. The other amount in internal balances is \$353,099, which is the cumulative adjustment to

Martin County, Florida
Notes to Financial Statements
September 30, 2020

reflect the consolidation of internal service funds activities related to the business-type activities. A “crossover adjustment” is necessary to correctly report the Proprietary funds’ portion of the change in net position. The fiscal year 2020 portion of the internal service funds’ increase was \$35,854. That amount is combined with the previous year’s cumulative total of \$317,245. The effect of each year’s “crossover adjustment” on the government-wide financial statements is cumulative.

6. Inventories and Prepaid Items

Inventories of supplies in the governmental funds are recorded at cost, and inventories held for resale are recorded at the lower of cost or market. Both are recorded last-in, first-out and are accounted for under the consumption method. Accordingly, reported inventories are equally offset by non-spendable fund balance, which indicates that they do not constitute available spendable resources even though they are a component of net current assets. Inventories of proprietary fund types and at the government-wide level are reported at cost (first-in, first-out) and are recorded as an expense when used in the operations of the fund.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded using the consumption method in both the government-wide and fund financial statements.

7. Assets Held for Resale

During fiscal year 2010, the County initiated a program whereby 16 homes near the Martin County Airport were eligible for a home buyout and noise insulation program because they are within an area exposed to an average of 60 decibels of noise per day. Homes that are purchased by the County will be insulated, if financially feasible, and resold. Two homes have been demolished, as it was too costly to insulate them. The County has purchased eight properties to date and seven properties have been sold. In addition, the CRA has purchased four properties to date for community redevelopment and sold two of the properties under the requirements of Section 163.380, *Florida Statutes*. Assets held for resale are presented at the lower of cost or market.

8. Restricted Assets

Specific provisions of bond resolutions and agreements restrict the use of certain assets with various parties. Assets so designated are identified as restricted assets on the Statement of Net Position.

9. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible items are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. In the governmental funds financial statements, costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures. Capital assets are not shown on the governmental fund balance sheets, and no depreciation expense is recorded in the governmental funds. Dispositions and retirements are reported in the year of disposal. The County uses the following capitalization thresholds for assets, based on asset type:

The threshold for tangible personal property is \$5,000. Depending upon type, the thresholds for infrastructure and other assets ranges between \$25,000 and \$100,000. The threshold for intangible assets purchased or internally generated is \$25,000. For capital assets reporting, intangible assets are assets that lack physical substance and have a non-financial nature such as computer software, land use rights, etc.

All capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at their estimated acquisition value on the date donated. Dispositions and retirements and resulting gains or losses for the proprietary fund types and at the government-wide level are reported in the year of the disposal.

Martin County, Florida
Notes to Financial Statements
September 30, 2020

Depreciation has been provided over the following estimated useful lives using the straight-line method:

Buildings	20 - 50 years
Improvements and equipment	3 - 40 years
Intangible plant asset	5 - 40 years
Roads	15 - 30 years
Bridges	50 years
Sidewalks	15 - 50 years
Stormwater	30 years
Software	5 years
Land use rights	Depends on Agreement

10. Deferred Outflows/Inflows of Resources

In addition to assets, there is a separate section for deferred outflows of resources which represents a consumption of net position applicable to a future period and will not be recognized as an outflow (expense/expenditure) until that time. The deferred loss on refunding is reported in the government-wide statement of net position and the proprietary funds statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources for pensions and Other Post-Employment Benefits (OPEB) are also reported on the government-wide statement of net position and the proprietary funds statements of net position, due to the implementation of GASB statement No. 68 for pensions and GASB statement No. 75 for OPEB.

In addition to liabilities, there is a separate section for deferred inflows of resources, which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow (revenue) until that time. Deferred inflows in the fund financial statements represent revenue not received within the County's period of availability. Deferred inflows of resources for pensions and OPEB are being reported on the government-wide statement of net position and the proprietary funds statements of net position, due to the implementation of GASB statement No. 68 and GASB statement No. 75.

11. Pension and Other Post-Employment Benefits Disclosure

The County applies GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, for the measurement, recognition, and display of pension expenditures or expenses as discussed in a subsequent note.

The County implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the measurement, recognition, and display of OPEB expenditures or expenses, liabilities, assets, and deferred inflows and outflows as discussed in a subsequent note.

12. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long term obligations are reported as liabilities in the applicable governmental activities, business type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gain/loss on bond refundings are deferred and amortized over the life of the bond using the straight line method.

Martin County, Florida
Notes to Financial Statements
September 30, 2020

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Payments on debt are recorded as expenditures. Premiums received on debt issuances are reported as other financing sources. Issuance costs are expensed as incurred.

13. Compensated Absences

It is the policy of the County to permit employees to accumulate a limited amount of earned but unused vacation benefits and sick leave, which will be paid to employees upon separation from County service. The liability for compensated absences is reported as earned in the government-wide Statement of Net Position and the proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

14. Landfill Closure and Post closure Care Costs

Under the terms of Florida Department of Environmental Protection requirements, the County is required to provide long-term care for landfill operations for up to thirty years after final closure. Required obligations for closure and postclosure care costs are recognized in the Solid Waste Enterprise Fund.

15. Special Assessments

Special assessment receivables are recorded at the time of the assessment levy. In the governmental funds, the related revenue is recorded when it becomes measurable and available. In the government wide and proprietary fund level, the revenue is recognized as the County provides the services for which the assessment is levied. No allowance is recorded because liens are recorded against the assessed property. A deferred inflow has been recorded for special assessments that are due but not yet available.

16. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and other debits and liabilities and other credits, as well as disclosure of contingent assets and other debits and liabilities and other credits at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

17. Net Position

Net investment in capital assets is that portion of net position that relates to the County's capital assets, reduced by debt outstanding used to purchase or construct the capital assets. The related debt is reduced by any unspent proceeds that are outstanding at fiscal year-end.

Restricted net position is that portion of net position that has been restricted from general use by external parties (creditors, grantees, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Restricted net position on the government-wide statement of net position for fiscal year 2020 includes \$14,702,783 of net position restricted by enabling legislation.

Unrestricted net position represents amounts not included in the other two categories and is generally available for any use.

Martin County, Florida
Notes to Financial Statements
September 30, 2020

18. Governmental Fund Balance

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or as spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external and internal constraints on the spending of these fund balances. These classifications are described as follows:

Non-spendable fund balances include amounts that cannot be spent because they are not spendable in form or legally or contractually required to remain intact. At the County, inventories, prepaid items, and the principal amount of the Port Salerno Memorial Trust Permanent Fund fall in this category.

Spendable fund balances are classified based on a hierarchy of the County's ability to control the spending of the fund balances.

Restricted fund balances are those amounts that are constrained for specific purposes which are externally imposed by creditors, grantor, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Committed fund balances are those that contain self-imposed constraints or specific purposes, imposed by the government's highest level of decision making authority. Formal action in the form of a County Ordinance must be taken by the Board prior to the end of the fiscal year. The same formal action must be taken by the Board to remove or change the limitations placed on the funds.

Assigned fund balances are those that are intended to be used for specific purposes, but are neither restricted nor committed. County management proposes assignments of fund balance to the Board of County Commissioners, who approves those assignments based on annually adopted fiscal policies.

Unassigned fund balance is the residual positive balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed, or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances.

When unrestricted resources are available for use, it is the County's policy to use committed resources first, then assigned resources and then unassigned resources as they are needed.

The Fund Balance Reserve Policy ensures that sufficient levels of reserves are maintained for operational and financial stability. The stabilization reserve in the General Fund is to be maintained in an amount not less than ten percent (10%) of the annual General Fund budget (less reserve totals). This amount approximates sixty days of working capital. Other County funds maintain similar designated reserves.

Note 2 - Cash and Cash Equivalents and Investments

Cash and Cash Equivalents

Florida Statutes authorize the deposit of County funds in demand deposits or time deposits of financial institutions approved by the State Treasurer and are defined as public deposits. All County public deposits are held in qualified public depositories pursuant to chapter 280, *Florida Statutes*, the "Florida Security for Public Deposits Act." Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The collateral pledging level may range from 25% to 150%, depending upon the depository's financial condition and the length of time that the depository has been established. All collateral must be deposited with the

Martin County, Florida
Notes to Financial Statements
September 30, 2020

State Treasurer. Any losses to public depositors resulting from insolvency are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessment against other qualified public depositories of the same type as the depository in default. All bank balances of the County are fully insured or collateralized.

The County receives interest on all collected balances in its cash accounts from the qualified public depository acting as its banking agent. Interest earnings are allocated to all funds based on the average daily balance of each fund's equity in the total investment pool. Cash Equivalents consist of short-term investments in highly liquid external local government investment pools with maturities of ninety days or less when purchased.

Investments

GASB 72, *Fair Value Measurement and Application*, requires the County to use valuation techniques which are appropriate under the circumstances and are a market approach, cost approach, or income approach. GASB 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. GASB 72 also contains note disclosure requirements regarding the hierarchy of valuation inputs and valuation techniques that were used for the fair value measurements. The County's fair value measurements for U.S. Treasuries and U.S. Agencies are categorized as Level 2 and are valued by the County's investment brokers using independent pricing services based on the type of asset. The pricing services may use valuation models or matrix pricing, which consider benchmark yields, reported trades, broker/dealer quotes, benchmark securities, bids or offers, and reference data. Investments with fair value measures at amortized cost or Net Asset Value (NAV) are excluded from categorization within the fair value hierarchy of GASB No. 72. Additional discussion about fair value measures and the County's investments is detailed in Note 1 Summary of Significant Accounting Policies, item H. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and net Position or Equity, sub section 2. Investments.

The fair value amounts, presented in the following tables, are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net position.

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Cash and cash equivalents	\$ 36,821,143	\$ 1,335,907	\$ 9,639,194	\$ 47,796,244
Restricted cash and cash equivalents	4,548,480	930,768	-	5,479,248
Investments	218,244,400	56,464,750	1,420,521	276,129,671
Restricted investments - current	-	6,423,803	-	6,423,803
Restricted investments - noncurrent	-	15,816,063	-	15,816,063
	<u>\$ 259,614,023</u>	<u>\$ 80,971,291</u>	<u>\$ 11,059,715</u>	<u>\$ 351,645,029</u>

As of September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the County's access to 100 percent of their account value in the external investment pool.

The County had the following investments with stated maturities categorized as Level 1, Level 2, or Level 3 as of September 30, 2020. The County's fair value measurements for U.S. Treasuries and U.S. Agencies are categorized as Level 2 and are valued by the County's investment brokers using independent pricing services based on the type

Martin County, Florida
Notes to Financial Statements
September 30, 2020

of asset. The pricing services may use valuation models or matrix pricing, which consider benchmark yields, reported trades, broker/dealer quotes, benchmark securities, bids or offers, and reference data.

		Fair Value Measurements Using		
Investments by Level	Fair Value as of 9/30/2020	Quoted Prices in Active Markets for Similar Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Core fund investments				
US Treasury Notes	\$ 55,862,545	\$ -	\$ 55,862,545	\$ -
FHLB Agency Bullet	10,180,485	-	10,180,485	-
FHLMC Agency Bullet	30,280,820	-	30,280,820	-
Total investments at fair value	96,323,850	\$ -	\$ 96,323,850	\$ -
Investments Reported at Amortized Cost				
Florida PRIME	107,409,079			
FLGIT - Day-to-Day Fund	19,015,475			
Certificates of deposit	10,000,000			
Total investments reported at amortized cost	136,424,554			
Investments Reported at NAV share value				
FLGIT - Short Term Bond Fund	11,077,787			
FLCLASS - Government Investment Pool	20,108,665			
Total investments reported at NAV share value	31,186,452			
Total investments	263,934,856			
Cash deposits	87,710,173			
Total cash and cash equivalents and investments	\$ 351,645,029			

Martin County, Florida
Notes to Financial Statements
September 30, 2020

Credit Risk and Concentration of Credit Risk

Investment	Amount	Percentage of Portfolio	Standard & Poor's / Fitch Investment Rating
Florida Prime Investment Pool (SBA)	\$107,409,079	30.54 %	AAAm
FLCLASS Local Government Investment Pool	20,108,665	5.72	AAAf
Florida Local Government Investment Trust (FLGIT) Short Term Bond Fund	11,077,787	3.15	AAAf
Florida Local Government Investment Trust (FLGIT) Day to Day Fund	19,015,475	5.41	AAAm
U.S. Treasuries	55,862,545	15.89	AA+
U.S. Agency Bonds	40,461,305	11.51	AA+
Certificates of deposit	10,000,000	2.84	N/A
Cash and Receivables	87,710,173	24.94	N/A
	<u>\$351,645,029</u>	<u>100.00 %</u>	

Credit risk is the risk that an issuer will not fulfill its obligations.

The County investment policy and various bond covenants limit credit risk by restricting authorized investments to the following: the Local Government Surplus Funds Trust Fund; Security and Exchange Commission registered money market funds with a Moody's credit rating of "Aaa" or Standard & Poor's credit rating of "AAA;" interest bearing time deposits or savings accounts in qualified public depositories; direct obligations of the U.S. Treasury; securities issued by Federal Agencies; and the Florida Local Government Investment Trust.

Concentration of credit risk is the risk of loss due to the magnitude of an investment in a single issuer.

The Board's investment policy has established asset allocation and issuer limits to reduce concentration of credit risk. The Board's investment policy limits portfolio composition to the following maximum guidelines:

- Local Government Surplus Funds Trust Fund (SBA) 60% per fund
- Local Government Investment Pools (LGIPs) 60% per fund
- Direct Obligations of the U.S. Treasury 100%
- Securities issued by Federal Agencies 100%
- Money Market Funds 25% per fund, 50% of total portfolio
- Interest-bearing Time Deposit Accounts and Non-negotiable Certificates of Deposit (CDs) in Qualified Public Depositories 10% per issuer, 30% of total portfolio
- Corporate Commercial Paper, 5% per issuer, 10% of total portfolio

Martin County, Florida
Notes to Financial Statements
September 30, 2020

Interest Rate Risk

		Effective Duration in Years		
Investment type	Fair Value as of 9/30/2020	Less than 1 Year	1 year but less than 3	3 years but less than 5
Investments subject to Interest rate risk:				
Florida Local Government Investment Trust Short Term Bond Fund (effective duration 1.93 years)	\$ 11,077,787	\$ 1,991,786	\$ 8,910,972	\$ 175,029
U.S. Treasuries	55,862,545	45,558,250	10,304,295	-
U.S. Agency Bonds	40,461,305	5,029,195	35,432,110	-
		<u>\$ 52,579,231</u>	<u>\$ 54,647,377</u>	<u>\$ 175,029</u>
Other investment:				
Florida Prime Investment Pool (SBA)	107,409,079			
FLCLASS Local Government Investment Pool	20,108,665			
Florida Local Government Investment Trust Day to Day fund	19,015,475			
Certificates of deposit	10,000,000			
Cash and Cash Deposits	87,710,173			
	<u>\$ 351,645,029</u>			

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The County's investment policy requires the investment portfolio be designed with the objective of attaining a fair market rate of return. It further goes on to require that the investment portfolio shall remain sufficiently liquid to meet all operating and capital requirements that may be reasonably anticipated. To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements. Unless matched to a specific cash flow requirement, investments shall not be directly invested in individual securities maturing more than five (5) years from the date of purchase.

Custodial Credit Risk

This type of risk would arise in the event of the failure of a custodian of County investments, after which the government would not be able to recover the value of its investments that are in the possession of the third party custodian.

The County utilizes a Safekeeping account with its qualified public depository to maintain custody of assets purchased for investment by the County. The investment assets held by the custodian are designated as wholly owned asset of the County separate and apart from any other assets held by the depository. Security transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery versus payment" basis to ensure that the custodian will have the security or money in hand at the conclusion of the transaction.

All securities purchased and/or collateral obtained by the Clerk shall be properly designated as an asset of the County and held in an account separate and apart from other assets held by the depository.

Foreign Currency Risk

The County's investments are not exposed to foreign currency risk.

Martin County, Florida
Notes to Financial Statements
September 30, 2020

Note 3 - Interfund Receivables and Payables

Interfund balances at September 30, 2020, are expected to be repaid within one year. Interfund receivable and payable balances for the year ended September 30, 2020, were as follows:

Payable Fund	Receivable Fund							Total
	General Fund	Consolidated Fire/EMS	Federal Grants	Nonmajor Governmental Funds	Water/Sewer Utilities	Solid Waste	Internal Service Funds	
General Fund	\$ -	\$ -	\$ -	\$ 9,063	\$ -	\$ -	\$ 387,584	\$ 396,647
CRA Fund	263	-	-	-	-	-	-	263
Federal Grants	1,310,089	-	-	31,676	-	-	-	1,341,765
Nonmajor governmental funds	2,458,995	45	115,443	86,545	-	-	-	2,661,028
Water/Sewer Utilities	-	-	-	-	-	621,616	-	621,616
Solid Waste Fund	-	-	-	-	6,981	-	-	6,981
Nonmajor business-type fund	150,000	-	-	-	-	-	-	150,000
Internal Service Funds	1,582,943	-	-	-	-	-	-	1,582,943
Total receivables and payables	<u>\$ 5,502,290</u>	<u>\$ 45</u>	<u>\$ 115,443</u>	<u>\$ 127,284</u>	<u>\$ 6,981</u>	<u>\$621,616</u>	<u>\$ 387,584</u>	<u>\$ 6,761,243</u>

The outstanding balances between funds result mainly from the time lag between dates that:

- (1) interfund goods and services are provided or reimbursable expenditures occur;
- (2) transactions are recorded in the accounting system;
- (3) temporary loans are used to cover deficit cash;
- (4) advance agreement between Water/Sewer Utilities and Solid Waste.

Martin County, Florida
Notes to Financial Statements
September 30, 2020

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2020, was as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 216,268,706	\$ 2,362,669	\$ (481,321)	\$ 218,150,054
Land use rights - permanent	2,230,299	372,769	-	2,603,068
Construction in progress	37,673,223	39,339,485	(30,945,178)	46,067,530
Total capital assets not being depreciated	<u>256,172,228</u>	<u>42,074,923</u>	<u>(31,426,499)</u>	<u>266,820,652</u>
Capital assets being depreciated:				
Buildings and improvements	185,633,269	17,867,308	(709,094)	202,791,483
Equipment	119,385,169	14,408,016	(4,944,283)	128,848,902
Land use rights - temporary	5,757,274	-	(42,439)	5,714,835
Software	10,478,155	945,539	-	11,423,694
Land improvements	58,536,085	5,808,972	(158,195)	64,186,862
Infrastructure	613,573,608	2,049,042	-	615,622,650
Total capital assets being depreciated	<u>993,363,560</u>	<u>41,078,877</u>	<u>(5,854,011)</u>	<u>1,028,588,426</u>
Less accumulated depreciation for:				
Buildings and improvements	(85,458,258)	(5,178,148)	521,931	(90,114,475)
Equipment and other assets	(74,423,797)	(9,574,580)	4,756,369	(79,242,008)
Land use rights	(1,739,334)	(334,478)	9,175	(2,064,637)
Software	(7,127,350)	(856,975)	-	(7,984,325)
Land improvements	(35,519,802)	(2,514,715)	158,195	(37,876,322)
Infrastructure	(368,253,650)	(13,921,131)	-	(382,174,781)
Total accumulated depreciation	<u>(572,522,191)</u>	<u>(32,380,027)</u>	<u>5,445,670</u>	<u>(599,456,549)</u>
Total capital assets being depreciated, net	<u>420,841,369</u>	<u>8,698,850</u>	<u>(408,341)</u>	<u>429,131,878</u>
Governmental activities capital assets, net	<u>\$ 677,013,597</u>	<u>\$ 50,773,773</u>	<u>\$ (31,834,840)</u>	<u>\$ 695,952,530</u>

Depreciation expense was charged as follows:

Governmental activities:	
General government	\$ 5,291,544
Public safety	5,766,973
Physical environment	2,348,183
Transportation (which includes depreciation for infrastructure)	13,516,012
Economic environment	106,690
Human services	122,516
Culture and recreation	4,695,408
In addition, depreciation on capital assets held by the County's internal service funds is charged to the various functions based on their usage of assets	<u>532,701</u>
Total governmental activities depreciation expense	<u>\$ 32,380,027</u>

Martin County, Florida
Notes to Financial Statements
September 30, 2020

Business-type activities:	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Water/Sewer Utilities:				
Capital assets not being depreciated				
Land	\$ 5,974,413	\$ -	\$ -	\$ 5,974,413
Intangible assets, land use rights	1,206,991	36,801	-	1,243,792
Construction in progress	17,550,285	10,691,995	(15,241,053)	13,001,227
Total capital assets not being depreciated	24,731,689	10,728,796	(15,241,053)	20,219,432
Capital assets being depreciated				
Buildings	146,424,272	14,768	-	146,439,040
Water distribution system	105,697,286	4,469,600	-	110,166,886
Wells	13,771,103	-	-	13,771,103
Sewer collection system	125,114,713	12,142,916	-	137,257,629
Equipment & leasehold improvement	8,953,248	636,126	(372,178)	9,217,196
Intangible assets	8,363,416	55,615	-	8,419,031
Total capital assets being depreciated	408,324,038	17,319,025	(372,178)	425,270,885
Less depreciation and amortization for				
Buildings	(63,554,635)	(3,723,565)	-	(67,278,200)
Water distribution system	(46,959,565)	(3,504,265)	-	(50,463,830)
Wells	(8,717,101)	(493,013)	-	(9,210,114)
Sewer collection system	(54,456,005)	(4,339,521)	-	(58,795,526)
Equipment & leasehold improvements	(5,072,758)	(742,521)	348,715	(5,466,564)
Intangible assets	(3,878,123)	(318,891)	-	(4,197,014)
Total depreciation and amortization	(182,638,187)	(13,121,776)	348,715	(195,411,248)
Total capital assets being depreciated, net	225,685,851	4,197,249	(23,463)	229,859,637
Water/Sewer capital assets, net	\$ 250,417,540	\$ 14,926,045	\$ (15,264,516)	\$ 250,079,069
Solid Waste:				
Capital assets not being depreciated				
Land	\$ 1,836,230	\$ -	\$ -	\$ 1,836,230
Construction in progress	221,819	781,419	(863,278)	139,960
Total capital assets not being depreciated	2,058,049	781,419	(863,278)	1,976,190
Capital assets being depreciated				
Buildings and improvements	11,269,842	910	-	11,270,752
Landfill improvements	11,989,612	335,377	-	12,324,989
Equipment & leasehold improvement	5,421,806	526,991	(45,486)	5,903,311
Intangible assets	15,850	-	-	15,850
Total capital assets being depreciated:	28,697,110	863,278	(45,486)	29,514,902
Less accumulated depreciation for				
Buildings and improvements	(4,636,008)	(335,258)	-	(4,971,266)
Landfill improvements	(10,602,176)	(169,545)	-	(10,771,721)
Equipment & leasehold improvement	(3,003,231)	(432,448)	45,486	(3,390,193)
Intangible assets	(12,416)	(1,585)	-	(14,001)
Total accumulated depreciation	(18,253,831)	(938,836)	45,486	(19,147,181)
Total capital assets being depreciated, net	10,443,279	(75,558)	-	10,367,721
Solid Waste capital assets, net	\$ 12,501,328	\$ 705,861	\$ (863,278)	\$ 12,343,911

Martin County, Florida
Notes to Financial Statements
September 30, 2020

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Airport:				
Capital assets not being depreciated				
Land	\$ 6,875,978	\$ -	\$ -	\$ 6,875,978
Construction in progress	2,159,760	1,906,418	(2,423,410)	1,642,768
Total capital assets, not being depreciated	9,035,738	1,906,418	-	8,518,746
Capital assets being depreciated				
Buildings	4,954,252	427,492	-	5,381,744
Airport improvements	31,105,017	1,995,918	-	33,100,935
Equipment	617,036	-	(11,987)	605,049
Intangible assets	10,077	-	-	10,077
Total capital assets, being depreciated	36,686,382	2,423,410	-	39,097,805
Less accumulated depreciation for				
Buildings	(1,792,608)	(205,649)	-	(1,998,257)
Airport improvements	(13,103,253)	(1,742,215)	-	(14,845,468)
Equipment	(475,186)	(46,747)	11,987	(509,946)
Intangible assets	(1,203)	(1,251)	-	(2,454)
Total accumulated depreciation	(15,372,250)	(1,995,862)	-	(17,356,125)
Total capital assets being depreciated, net	21,314,132	427,548	-	21,741,680
Airport capital assets, net	\$ 30,349,870	\$ 2,333,966	\$ -	\$ 30,260,426
Golf Course:				
Capital assets being depreciated				
Buildings	\$ 1,258,259	\$ -	\$ -	\$ 1,258,259
Golf Course improvements	1,355,456	-	-	1,355,456
Equipment	1,054,652	5,695	(44,890)	1,015,457
Total capital assets, being depreciated	3,668,367	5,695	(44,890)	3,629,172
Less accumulated depreciation for				
Buildings	(509,089)	(28,115)	-	(537,204)
Golf Course improvements	(500,813)	(90,364)	-	(591,177)
Equipment	(642,932)	(178,464)	44,890	(776,506)
Total accumulated depreciation	(1,652,834)	(296,943)	44,890	(1,904,887)
Total capital assets being depreciated, net	2,015,533	(291,248)	-	1,724,285
Golf Course capital assets, net	\$ 2,015,533	\$ (291,248)	\$ -	\$ 1,724,285
Business-type activities capital assets, net	\$ 295,284,271	\$ 17,674,624	\$ (16,127,794)	\$ 294,407,691

Martin County, Florida
Notes to Financial Statements
September 30, 2020

Note 5 - Fund Balance Deficits

The following funds had a fund balance deficit at September 30, 2020:

Federal Grants	\$1,630,103
Other State Grants	\$1,281,138

These deficits result from future grant reimbursements which were not susceptible to accrual at September 30, and are being reported as deferred inflows of resources – unavailable revenue, pursuant to GASB Statement No. 65, and as unassigned fund balance, pursuant to GASB Statement No. 54.

Note 6 - Long-Term Obligations

Long-term obligations for the governmental funds at September 30, 2020, are comprised of the following:

Compensated absences	<u>\$ 16,955,234</u>

Obligations under capital leases:

The County has entered into various lease agreements as lessee for financing the acquisition of ambulances, fire pumpers and other fire equipment; Energy Performance contracts with Trane for sports and security lighting, for the Martin County Jail and for the Martin County Health Department; and with Motorola for financing the acquisition of equipment. New leases for FY20 include the following: the County entered into an additional lease with Motorola in the amount of \$2,351,868 for the acquisition of additional equipment and a \$3,000,000 lease for fire equipment including two custom side mount pumpers, one custom tractor chassis, two 2,000-gallon water tankers, and three rescue transport ambulances; the Sheriff entered into a \$1,583,211 lease for a new CAD system. All of these lease agreements qualify as capital leases for accounting purposes and therefore have been recorded at the present value of their future lease payments as of the inception date, using a discount rate of 1.1025% to 3.71%. Assets acquired have a cost of \$22,366,413 and a net book value of \$14,713,780.

28,350,115

Revenue notes and bonds:

\$9,000,000 Improvement Revenue Note, Series 2004; interest of 4.832% semi-annually; principal payable in semi-annual installments through March 2024; collateralized by non-ad valorem revenues. The purpose of this note was to fund various capital projects within the County including a Sheriff's Emergency Services Center and a Boat Ramp Facility. As of September 30, 2020, principal and interest remaining on this note totaled \$1,727,214. For the year ended September 30, 2020, the principal and interest payments were \$542,265.

1,575,000

Martin County, Florida
Notes to Financial Statements
September 30, 2020

\$8,200,000 Improvement Revenue Note, Series 2005; interest of 4.832% semi-annually; principal payable in semi-annual installments through March 2025; collateralized by non-ad valorem revenues. The purpose of this note was to fund the cost of the acquisition and construction of various capital improvements within the County. As of September 30, 2020, principal and interest remaining on this note totaled \$2,067,888. For the year ended September 30, 2020, the principal and interest payments were \$513,877. 1,845,000

\$3,045,000 Capital Improvement Revenue Note, Series 2010; interest of 3.55% payable semi-annually; principal payable in annual installments through October 2025; collateralized by non-ad valorem revenues. The purpose of this note is to finance the costs of acquiring, constructing and equipping the County's communications network which includes underground construction, redundant and resilient connections and a mix of wired and wireless connections and to pay the costs of issuing the note. As of September 30, 2020, principal and interest remaining on this note totaled \$1,326,285. For the year ended September 30, 2020, the principal and interest payments were \$265,008. 1,196,000

\$5,750,000 Capital Improvement Revenue Note, Series 2011; interest of 3.55% payable semi-annually; principal payable in annual installments through October 2025; collateralized by non-ad valorem revenues. The purpose of this note is to finance the costs of certain improved real property known as Building A of the Willoughby property which is currently occupied by the County's Tax Collector's Office; acquiring an office building currently occupied by the County's Supervisor of Elections; acquiring, constructing, installing and equipping various capital improvements including, but not limited to, the installation of a fire sprinkler system in County-owned buildings; the acquisition, construction, installation and equipping of renovations to the County's Tropical Farms Fire Station; the acquisition, construction, installation and equipping of Phase II of the County's Public Safety Complex; any such other projects that may be approved by resolution of the County Commission and to pay the costs of issuing the note. As of September 30, 2020, principal and interest remaining on this note totaled \$2,559,517. For the year ended September 30, 2020, the principal and interest payments were \$511,667. 2,308,000

\$4,124,148 Lease Purchase Refunding Note, Series 2013; interest of 2.516% and principal due in annual installments through December 2024; collateralized by non-ad valorem revenues. The purpose of this note is to refund the County's outstanding Master Lease Agreement No. 05217; Schedule No. 03 (dated September 25, 2006, and amended on December 19, 2008). As of September 30, 2020, principal and interest remaining on this note totaled \$2,144,083. For the year ended September 30, 2020, principal and interest payments were \$428,817. 1,989,618

Martin County, Florida
Notes to Financial Statements
September 30, 2020

\$23,135,000 Gas Tax Refunding Revenue Note, Series 2014; interest of 2.21% payable semi-annually; principal payable in annual installments through April 1, 2026; covenants, pledges and conditions are on a parity with the 2006 Gas Tax Revenue Bonds, that is, collateralized by a lien and pledge of (1) Gas Tax Revenues and (2) until applied in accordance with the provisions of the Resolution, except (A) the Unrestricted Revenue Account and the Rebate fund, and (B) any sub account of the Reserve Account, which is pledged solely for the payment of a particular Series of Bonds for which it was established in accordance with the provisions of the Resolution. The purpose of this debt is to advance refund the County's Gas Tax Revenue Bonds, Series 2006 and to pay the costs of issuing this Series 2014 Note. The refunding resulted in a reduction of future debt service payments of \$1.834 million and a present value savings associated with the refunding of \$1.706 million. As of September 30, 2020, principal and interest remaining totaled \$15,465,853. For the year ended September 30, 2020, principal and interest payments were \$2,578,804.

14,485,000

\$3,071,000 Capital Improvement Revenue Note, Series 2017A (Tax-Exempt); interest of 2.67% payable semi-annually; principal payable in annual installments through July 2032; collateralized by non-ad valorem revenues. The purpose of this note is to finance the construction, design, renovation, and equipping of various capital improvements including without limitation acquisition of a portion of an office building at Willoughby Commons for the Property Appraiser and Utilities and Solid Waste Department; and to pay associated transactional costs of issuing the note. As of September 30, 2020, principal and interest remaining on this note totaled \$3,015,073. For the year ended September 30, 2020, principal and interest payments were \$251,354.

2,551,000

\$1,896,000 Capital Improvement Revenue Note, Series 2017B (Taxable); interest of 4.00% payable semi-annually; principal payable in annual installments through July 2032; collateralized by non-ad valorem revenues. The purpose of this note is to finance the construction, design, renovation, and equipping of various capital improvements including without limitation acquisition of a portion of an office building at Willoughby Commons for the Property Appraiser and Utilities and Solid Waste Department; and to pay associated transactional costs of issuing the note. As of September 30, 2020, principal and interest remaining on this note totaled \$2,048,520. For the year ended September 30, 2020, principal and interest payments were \$169,646.

1,602,000

\$3,846,000 Capital Improvement Revenue Note, Series 2017C (Tax-Exempt); interest of 2.84% payable semi-annually; principal payable in annual installments through May 2028; collateralized by non-ad valorem revenues. The purpose of this note is to finance acquisition, design, construction, renovation, installation and equipping of various capital improvements within the Old Palm City Community Redevelopment Area and the Hobe Sound Community Redevelopment Area of the Martin County Community Redevelopment Agency. As of September 30, 2020, principal and interest remaining on this note totaled \$3,577,139. For the year ended September 30, 2020, principal and interest payments were \$444,336.

3,160,000

Martin County, Florida
Notes to Financial Statements
September 30, 2020

\$15,033,000 Capital Improvement Revenue Note, Series 2017D (Taxable); interest of 4.06% payable semi-annually; principal payable in annual installments through May 2033; collateralized by non-ad valorem revenues. The purpose of this note is to finance a settlement payment to resolve litigation, acquisition of real property, and the acquisition, design, construction, renovation, installation and equipping of storm water capital improvements. As of September 30, 2020, principal and interest remaining on this note totaled \$17,651,433. For the year ended September 30, 2020, principal and interest payments were \$1,357,605.	13,508,000
\$2,246,000 Capital Improvement Revenue Note, Series 2017E (Tax-Exempt); interest of 2.09% payable semi-annually; principal payable in annual installments through November 2025; collateralized by non-ad valorem revenues. The purpose of this note is primarily to finance the acquisition of four Rescue Pumpers on an E-One Typhoon X Chassis. As of September 30, 2020, principal and interest remaining on this note totaled \$1,853,404. For the year ended September 30, 2020, principal and interest payments were \$306,940.	1,741,986
\$5,050,000 North River Shores (Phase 2) Municipal Service Benefit Unit Special Assessment Revenue Note, Series 2018, interest of 3.12% payable semi-annually; principal payable in annual installments through July 2039; collateralized by assessments and non-ad valorem revenues. The purpose of this note was to fund the cost of construction of a vacuum assisted gravity sewer system and associated pumping facility to provide sanitary sewer service to approximately 296 single and multifamily parcels of land in the southern North River Shores area of Martin County, Florida. As of September 30, 2020, principal and interest remaining on this note totaled \$5,538,401. For the year ended September 30, 2020, principal and interest payments were \$257,058.	4,131,381
\$38,840,000 Half-Cent Sales Tax Revenue Bonds, Series 2019; interest from 3% to 5% payable semi-annually and principal payable annually through July 2039; collateralized by a lien and pledge upon the Statewide Half-Cent Sales Tax Revenues. The purpose of these revenue bonds was to fund the Series 2019 Construction Fund for various projects including the following: Renovating/rebuilding of several fire stations; new fire training facility; new Field Operations facility; Golf Course renovations; generators for several locations; jail pod renovations; and constructing the Sheriff Purchasing Warehouse and a K-9 Facility. As of September 30, 2020, principal and interest remaining on this note totaled \$56,195,550. For the year ended September 30, 2020, principal and interest payments were \$2,946,395.	37,825,000
Total Revenue Notes and Bonds	\$ 87,917,985
Unamortized premium	5,149,303
Total long-term obligations	\$ 138,372,637

Martin County, Florida
Notes to Financial Statements
September 30, 2020

Total pledged revenues for the North River Shores MSBU Special Assessment Note were \$288,808. Principal and interest for the year for that note were \$257,058. Total pledged revenues recognized during the fiscal year for the County's Gas Tax Debt were \$7,890,500. Principal and interest payments for the year for the 2014 Gas Tax Refunding Revenue Note were \$2,578,804. Total pledged revenues recognized during the fiscal year for the County's Half Cent Sales Tax Revenue Bond were \$15,968,179, and principal and interest payments for the year were \$2,946,395. Total pledged revenues recognized for the remaining revenue notes were \$88,339,533 with principal and interest payments for the year totaling \$4,791,515.

The annual debt service requirements to maturity for long-term bonds, notes and capital leases are as follows:

Year Ending September 30,	Governmental Activities			
	Bonds and Notes		Capital Leases	
	Principal	Interest	Principal	Interest
2021	\$ 7,319,273	\$ 3,263,569	\$ 4,286,574	\$ 674,610
2022	7,529,138	3,012,656	3,384,940	563,234
2023	7,745,944	2,754,100	3,314,403	483,003
2024	7,747,153	2,487,734	3,391,066	404,614
2025	7,547,467	2,229,458	3,472,097	324,259
2026-2030	21,118,319	8,252,923	8,024,856	776,963
2031-2035	16,989,517	4,176,122	2,476,179	100,237
2036-2040	11,921,174	1,075,814	-	-
	<u>\$ 87,917,985</u>	<u>\$ 27,252,376</u>	<u>\$ 28,350,115</u>	<u>\$ 3,326,920</u>

Changes in governmental activities' long-term liabilities for the year-ended September 30, 2020, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 15,165,157	\$ 8,661,509	\$ (6,871,432)	\$ 16,955,234	\$ 6,941,780
Obligations under capital leases	24,552,116	6,935,079	(3,137,080)	28,350,115	4,286,574
Revenue bonds/notes	94,860,798	-	(6,942,813)	87,917,985	7,319,273
Unamortized premiums	5,645,526	-	(496,223)	5,149,303	479,824
Total liabilities	<u>\$ 140,223,597</u>	<u>\$ 15,596,588</u>	<u>\$ (17,447,548)</u>	<u>\$ 138,372,637</u>	<u>\$ 19,027,451</u>

For the governmental activities, claims and judgments and compensated absences are generally liquidated by the general fund.

Martin County, Florida
Notes to Financial Statements
September 30, 2020

Note 7 - Long-Term Liabilities - Enterprise Funds

Long-term liabilities at September 30, 2020 in the Enterprise Funds consist of the following:

Compensated Absences	\$	766,071

Revenue Bonds

\$47,760,000 Utilities System Refunding Revenue Bonds, Series 2016A; with interest rate ranging from 2.0% to 4.0% payable semi-annually; principal due annually from 2036 to 2039; collateralized by (i) net revenues of the department, (ii) certain capital facilities charges collected with respect to the Department, (iii) special assessments, if any, and (iv) amounts on deposit in funds and accounts established by the bond resolutions, equal to remaining annual principal and interest requirements over the terms of the respective bond agreements. The proceeds of this bond were deposited in an irrevocable trust with an escrow agent to provide funding for repayment of the Utilities Series 2010 and Series 2012 notes, as well as providing funding for future debt service payments of the Utilities System Revenue Bonds, Series 2009A. As a result, the series 2010 and 2012 notes are fully defeased and the 2009 Series A is considered defeased in substance. The liabilities of those bonds have been removed from the statement of net position. In addition to the proceeds used for refunding debt, the Utilities received proceeds of \$4 million for capital projects. The refunding resulted in a decrease in future debt service payments of \$2,718,975 and a net present value savings of \$2,097,859.	42,955,000

\$24,625,000 Utilities System Refunding Revenue Bonds, Series 2016B (Taxable); with interest rate ranging from 0.976% to 2.517% payable semi-annually; principal due annually through 2024; collateralized by (i) net revenues of the department, (ii) certain capital facilities charges collected with respect to the Department, (iii) special assessments, if any, and (iv) amounts on deposit in funds and accounts established by the bond resolutions, equal to remaining annual principal and interest requirements over the terms of the respective bond agreements. The proceeds of this bond were deposited in an irrevocable trust with an escrow agent to provide funding for future debt service payments of the Utilities System Revenue Bonds, Series 2009B. As a result, the 2009 Series B is considered defeased in substance. The liability of the 2009B Series has been removed from the statement of net position. The refunding resulted in a decrease in future debt service payments of \$32,036 and a net present value savings of \$36,983.	<u>12,230,000</u>

Total Revenue Bonds	<u>55,185,000</u>

Martin County, Florida
Notes to Financial Statements
September 30, 2020

State Revolving Fund Loan

In 2002, the Department entered into two loan agreements with the State of Florida, Department of Environmental Protection (FDEP) to fund the planning and designing of wastewater collection systems for construction in Seagate Harbor, Lighthouse Point, North River Shores; the project was finalized May 16, 2006; the interest rates on the outstanding loan range from 2.71% to 3.11%.

Total State Revolving Fund Loan:	847,235

Advances from Solid Waste

In 2014, the Department entered into an advance agreement of \$6,716,490 with the Solid Waste fund to provide partial funding of the Bio Solids Facilities in Jensen Beach and Tropical Farms. The Bio Solids Facility completed construction in September of 2015. The advance is scheduled to be repaid over 15 years with an interest rate of 2.5%. In 2017, the Utilities department entered into two additional advance agreements with the Solid Waste department. One was for the Crane Creek Septic to Sewer Program in the amount of \$1.89 million to to be repaid over 15 years with an interest rate of 2.5%. The second agreement was for the Orchid Bay Septic to Sewer Program in the amount of \$1 million, also to be repaid over 15 years with an interest rate of 2.5%. In 2018, the Utilities department entered into an additional advance agreement with the Solid Waste department. It was for the Palm Lake Estates Septic to Sewer Program in the amount of \$0.17 million to to be repaid over 15 years with an interest rate of 4.25%.

Balance on advance from Solid Waste is:	<u>6,665,897</u>

Total Revenue Bonds, State Revolving Fund Loan, and Advances	<u>62,698,132</u>

Unamortized premium	6,125,608

Landfill Closure Costs	<u>8,836,716</u>

Total long-term obligations	<u><u>\$ 78,426,527</u></u>

The revenue bonds include restrictive covenants which require the establishment and maintenance of various reserve and bond service accounts and governs the flow of funds with respect to such accounts. In addition, covenants generally require the Department to establish rates and fees sufficient to provide net revenues and special assessments equal to 110% of the annual debt service requirements, or rates and fees sufficient to provide net revenues, capital facilities charges and special assessments equal to 120% of annual debt service requirements. Based on the interpretations of the Resolutions, the Department's pledged revenues recognized during the period

Martin County, Florida
Notes to Financial Statements
September 30, 2020

were approximately \$26,477,247 with capital facilities charges and \$23,973,502 exclusive of capital facilities charges. Principal and interest payments for the total fiscal year totaled \$7,771,832.

The annual debt service requirements to maturity for long-term bonds, loan payable, and advances outstanding are as follows:

	Business-type Activities Water & Sewer Utilities Bonds, Loan, and Advances		
Year Ending September 30,	Principal	Interest	Amount
2021	\$ 5,386,992	\$ 2,399,467	\$ 7,786,459
2022	5,532,192	2,252,843	7,785,035
2023	5,692,919	2,092,312	7,785,231
2024	5,869,182	1,917,765	7,786,947
2025	6,090,999	1,696,592	7,787,591
2026-2030	17,412,527	2,310,006	19,722,533
2031-2035	11,023,321	945,801	11,969,122
2036-2039	5,690,000	469,625	6,159,625
	<u>\$ 62,698,132</u>	<u>\$ 14,084,411</u>	<u>\$ 76,782,543</u>

Martin County, Florida
Notes to Financial Statements
September 30, 2020

Changes in long-term liabilities for the year ended September 30, 2020, were as follows:

	Balance 9/30/2019	Additions	Reductions	Balance 9/30/2020	Due Within One Year
Water/Sewer Utilities					
Revenue Bonds					
Series 2016A	\$ 44,190,000	\$ -	\$ (1,235,000)	\$ 42,955,000	\$ 1,290,000
Series 2016B	15,485,000	-	(3,255,000)	12,230,000	3,315,000
Plus (Less):					
Unamortized premium	6,469,686	-	(344,078)	6,125,608	-
Total revenue bonds	66,144,686	-	(4,834,078)	61,310,608	4,605,000
State Revolving Fund loan					
WWG12063607P	1,003,317	-	(156,082)	847,235	160,376
Total long-term debt	67,148,003	-	(4,990,160)	62,157,843	4,765,376
Other Liabilities:					
Compensated absences	515,020	516,262	(479,205)	552,077	135,384
Total long-term liabilities Water/Sewer Utilities	67,663,023	516,262	(5,469,365)	62,709,920	4,900,760
Solid Waste:					
Compensated absences	104,217	46,539	(9,617)	141,139	18,636
Landfill closure costs	9,230,081	-	(393,365)	8,836,716	582,576
Total long-term liabilities					
Solid Waste	9,334,298	46,539	(402,982)	8,977,855	601,212
Airport					
Compensated absences	43,838	41,262	(31,600)	53,500	30,000
Golf-Course					
Compensated absences	31,311	11,618	(23,574)	19,355	8,100
Total long-term liabilities					
business-type activities	\$ 77,072,470	\$ 615,681	\$ (5,927,521)	\$ 71,760,630	\$ 5,540,072

Martin County, Florida
Notes to Financial Statements
September 30, 2020

Note 8 - Lease Commitments

Operating Leases:

The primary government leases office facilities, which have non-cancelable lease terms in excess of one year. The following is a schedule by year of future minimum rentals on such leases as of September 30, 2020:

Year ending September 30	Amount
2021	\$ 203,262
2022	89,534
2023	80,331
2024	81,602
2025	27,343
Total future minimum rentals	<u>\$ 482,072</u>

Rental expenditures on operating leases amounted to \$327,864 for the year ended September 30, 2020.

Note 9 - Long Term Liabilities – Enterprise Funds – Solid Waste

Under the terms of Florida Department of Environmental Protection requirements, the County is required to provide long-term care for landfill operations for up to thirty years after final closure. Required obligations for closure and related maintenance costs are recognized in accordance with GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs*. The estimated total post-closure care is based on applicable federal and state regulations and is adjusted each year based on inflation or deflation and changes in operating conditions as calculated by an independent engineer. Solid Waste reports a portion of these post-closure care costs as an expense in each period based on actual costs incurred and adjustments to the engineer's report. The reported closure and post-closure care liability at September 30, 2020, represents the cumulative amount accrued to date based on closure of the landfill.

Solid Waste has entered into an agreement with an outside contractor to transfer and dispose of solid waste outside the County. Construction on the cap of the final open cell at Palm City II Landfill was completed during fiscal year 2006.

The decrease of the post closure liability of \$393,365 is due to a recalculation of estimates of the post-closure care costs and the final payment to the contractor for closing Palm City II. The estimates are recalculated every 5 years to reflect current year costs, changing the anticipated remaining costs.

Solid Waste is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and post-closure care. Such amounts held for this purpose comprise the restricted investments on the accompanying balance sheet. Solid Waste expects that future inflation costs will be paid from interest earnings in the Solid Waste fund on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulation, for example) these costs may need to be covered by charges to future landfill users.

Martin County, Florida
Notes to Financial Statements
September 30, 2020

Note 10 -Capital Contributions

Capital contributions in Water/Sewer Utilities fund consist of monies received, and capital assets contributed. The additions during fiscal year 2020 consisted of \$3,244,999 in cash, \$2,059,158 in capital assets (\$36,801 in easements and \$2,022,357 in developer contributions), and \$1,066,550 of special assessment revenue recognized. Capital contributions recognized in the Airport fund totaled \$1,433,234 and consisted of capital grants. Capital contributions in the Golf Course fund consists of capital assets contributed in the amount of \$5,695. Also, Vehicle Maintenance received a capital contribution of \$8,830.

Note 11 -Interfund Transfers

Interfund transfers for the year ended September 30, 2020, were as follows:

Transfers In	Transfers Out							Total
	General Fund	Consolidated Fire/EMS	CRA Funds	Federal Grants	County Buildings	Nonmajor Governmental Funds	Water/ Sewer Utilities	
General Fund	\$ -	\$ 200,000	\$ -	\$ 339,429	\$ -	\$ 1,178,807	\$ -	\$ 1,718,236
Federal Grants	-	-	-	-	-	141,118	-	141,118
County Buildings	1,684,126	-	-	-	-	-	-	1,684,126
Nonmajor Governmental Funds	3,012,972	2,481,697	448,727	31,676	150,000	4,151,094	195,958	10,472,124
Nonmajor Business-type Funds	1,326,731	-	-	-	-	-	-	1,326,731
Internal Service Funds	1,600,000	-	-	-	-	-	-	1,600,000
Total Interfund Transfers	<u>\$7,623,829</u>	<u>\$ 2,681,697</u>	<u>\$ 448,727</u>	<u>\$ 371,105</u>	<u>\$ 150,000</u>	<u>\$ 5,471,019</u>	<u>\$ 195,958</u>	<u>\$ 16,942,335</u>

The County's interfund transfers are budgeted amounts transferred from one governmental accounting fund to another that are not repayable and do not constitute payment on reimbursement for work or services provided.

Transfers are used to:

- (1) Move revenues from within the fund which a statute or budget requires them to be collected to a fund from which a statute or budget transfer requires them to be expended.
- (2) Move receipts which are restricted to debt service from the funds where the receipts are collected into the debt service fund, as debt service payments become due.
- (3) Provide matching funds for the County's portion of grant agreements.
- (4) Use and transfer unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.
- (5) Provide funding for various capital projects by means of transfers.

In addition, during 2020, the County transferred capital assets with a net book value of \$5,695 to the Golf Course, from governmental activities to the business type activities; and capital assets with a book value of \$8,830 to Vehicle Maintenance, from governmental activities to internal service funds. These transfers are reported as capital contributions for the proprietary and internal service funds at the fund level. At the government wide level, the transfer in governmental activities to business type activities is reported as a transfer. The transfer between

Martin County, Florida
Notes to Financial Statements
September 30, 2020

governmental activities and internal service funds is eliminated, as the internal service funds are presented as a governmental activity at the government wide level.

Note 12 -Property Tax

The key dates applicable to the ad valorem property tax cycle under normal conditions are as follows:

Assessment roll validated	July 1
Millage resolution approved	October 8
Beginning of fiscal year for which taxes are levied	October 1
Property taxes payable	
Maximum discount	November 30
Delinquent	April 1
Tax certificates sold	June 1
Lien date	June 1

Property tax levies are based on assessed values as of January 1st and become due and payable on November 1st of each year. A discount of 4 percent is allowed if paid in November, with the discount decreasing by 1 percent each month. Thus, taxes paid in March will not receive any discount. All unpaid taxes become delinquent on April 1st. Real property taxes that are delinquent are charged 3 percent interest for April and May. Florida Power & Light Company is a major tax payer in the county, representing approximately 9.59% of taxable value.

Note 13 -Tax Abatements

Economic Development Exemption

Section 125.045(2) *Florida Statutes* authorizes the governing body of a county to expend public funds to attract and retain business enterprises, and declares the use of public funds toward the achievement of such economic development goals to be a public purpose. The Board of County Commissioners has appointed an advisory committee to serve as the Martin County Enterprise Zone Development Agency (EZDA). The purpose of the EZDA is to promote the newly established Enterprise Zone, to encourage existing businesses to expand, and to attract new businesses complimentary with the Enterprise Zone Strategic Plan to relocate to within the boundaries of the Enterprise Zone.

In accordance with the Florida Enterprise Zone Act, the EZDA proposed opportunities to expand growth and development within the Enterprise Zone could be accomplished through creation of a tangible personal property tax grant program to industrial business entities with substantially high assessed amounts of tangible personal property. Subsequent to the recommendations of the EZDA to the Board of County Commissioners, the Board approved a Tangible Personal Property Program (TPP) through passage of Resolution No. 15-2.5 in February, 2015. The program was extended for an additional five years in June, 2015 through Resolution No. 15-6.8. The terms of the TPP stipulates eligible business entities receiving grants from the program must be located within the boundaries of the Martin County Enterprise Zone, as well as maintain a substantial taxable value of tangible personal property on the business site, as contained in the County's tangible personal property ad-valorem tax roll and as reported on Tangible Personal Property form DR-405. The grant amount to be received by qualifying entities in reimbursement of paid tangible personal property tax are paid annually after the applicable tangible personal property tax bill has been paid for the appropriate year (January 1st to December 31st), and funds have been received from the Tax Collector by the Board of County Commissioners. The grant amount is calculated by multiplying a negotiated lower millage rate by the total value of the business entity's tangible personal property for the applicable parcel

Martin County, Florida
Notes to Financial Statements
September 30, 2020

identification number, then subtracting that amount from the total amount of tangible personal property taxes levied by the total County millage for the same parcel. The negotiated fixed millage rate is set forth in the terms of each individual agreement.

In June 2015 the Board of County Commissioners approved a five year agreement with Florida Power and Light (FPL) with an effective date of January 1, 2016, through December 31, 2020, to provide grants in reimbursement of tangible personal property tax. In November 2018 the agreement was extended through December 31, 2023. The tangible personal property grant reimbursement FPL received in FY2020 is \$3,136,136. Currently the grant is calculated at 60% of the taxes due the County plus 50% of the taxes due the Fire/Rescue Unincorporated MSTU. The computation is shown in the table below. There are currently no other business entities in the Enterprise Zone receiving grants under the Tangible Personal Property Program.

FY 2020 Tangible Personal Property Grant

			Total Taxes Due with 4% Early Pay Discount	Grant Amount
Parcel 1000-6002-7823	2020 Taxable Value	2021 Millage		
County Millage	\$ 604,166,845	0.00676180	\$ 3,921,845	
Grant Amount	604,166,845	0.00405708	-	\$ 2,353,107
Fire/Rescue Unincorporated MSTU				
Millage	604,166,845	0.00270010	1,566,058	
Grant Amount	604,166,845	0.00135005	-	783,029
Total FY20 FPL TPP Grant			<u>\$ 5,487,903</u>	<u>\$ 3,136,136</u>

Note 14 - Defined Benefit Pension Plan

Pension Expense/Expenditures

The County's aggregate pension expense/expenditures amounted to \$32,398,439 for the fiscal year ended September 30, 2020. The County's aggregate net pension liability was \$266,520,344, with balances of deferred outflows of resources related to pensions of \$83,620,356 and deferred inflows of resources related to pensions of \$5,432,446 as of September 30, 2020.

	Net Pension Liability		
	FRS	HIS	Total
Board, including Enterprise Funds	\$ 110,805,857	\$ 22,361,740	\$ 133,167,597
Clerk	4,212,610	1,369,966	5,582,576
Property Appraiser	1,838,284	765,004	2,603,288
Sheriff	103,852,160	14,887,994	118,740,154
Supervisor of Elections	601,600	121,409	723,009
Tax Collector	4,582,584	1,121,136	5,703,720
Total	<u>\$ 225,893,095</u>	<u>\$ 40,627,249</u>	<u>\$ 266,520,344</u>

Martin County, Florida
Notes to Financial Statements
September 30, 2020

	Changes in Net Pension Liability		
	Beginning	Net Changes	Ending
FRS	\$ 175,332,394	\$ 50,560,701	\$ 225,893,095
HIS	36,571,370	4,055,879	40,627,249
Total	<u>\$ 211,903,764</u>	<u>\$ 54,616,580</u>	<u>\$ 266,520,344</u>

Plan Description

The County participates in the Florida Retirement System ("FRS"), a cost-sharing, multiple-employer, public employee retirement plan, which covers substantially all of the County's full-time employees. The Florida Department of Management Services Division of Retirement administers the FRS Pension Plan and the Retiree Health Insurance Subsidy ("HIS").

The Florida Legislature established the FRS under Chapter 121, *Florida Statutes*, and has sole authority to amend benefits provisions. Each year the FRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Florida Department of Management Services, Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000, or from the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

FRS Plan

Drop Benefits

The Deferred Retirement Option Program (DROP) is a program that provides an alternative method for payment of retirement benefits for a specified and limited period for members of the FRS, effective July 1, 1998. Under this program, the employee may retire and have their benefits accumulate in the Florida Retirement System Trust Fund, earning interest, while continuing to work for an FRS employer. The participation in the program does not change conditions of employment. When the DROP period ends, maximum of 60 months, employment must be terminated. At the time of termination, employees will receive payment of the accumulated DROP benefits, and begin receiving their monthly retirement benefit, in the same amount determined at retirement, plus annual cost-of-living increases.

Funding Policy

Effective July 1, 2011, all employees, except those participating in the DROP program, are required to make a 3% contribution of their gross salary. The FRS is a defined benefit plan for all state, participating county, district school board, community college and university employees. Governmental employers are required to make contributions to the FRS based on statewide contribution rates. Accordingly, the actuarial information and related disclosures attributable to the County's employees are not determinable. The County is required to contribute an actuarially determined rate. Contribution rates, expressed as a percentage of covered annual payrolls, in effect during the fiscal year for the following classes of memberships were:

Martin County, Florida
Notes to Financial Statements
September 30, 2020

	10/01/19- 6/30/20	7/01/20- 9/30/20
Regular	8.47 %	10.00 %
Senior Management	25.41 %	27.29 %
Special Risk	25.48 %	24.45 %
County Elected Officials	48.82 %	49.18 %
DROP	14.60 %	16.98 %

The pension liability is liquidated through the General Fund. The contributions of the County are established and may be amended by the State Legislature. The County's contributions, including employee contributions, to the FRS Pension Plan totaled \$17,522,378 for the fiscal year ended September 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2020, the County reported a liability of \$225,893,095 for its proportionate share of the FRS Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The County's proportionate share was based on the County's 2019-20 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the County's proportionate share was 0.52119385 percent, an increase of 0.01207805 over its proportionate share measured as of June 30, 2019.

For the fiscal year ended September 30, 2020, the County recognized pension expense of \$30,677,262 related to FRS. In addition the department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,645,388	\$ -
Change of assumptions	40,893,837	-
Net difference between projected and actual earnings on Pension Plan investments	13,449,891	-
Changes in proportion and differences between County Pension Plan contributions and proportionate share of contributions	7,562,541	-
County Pension Plan contributions subsequent to the measurement date	4,265,714	(2,532,388)
Total	<u>\$ 74,817,371</u>	<u>\$ (2,532,388)</u>

Martin County, Florida
Notes to Financial Statements
September 30, 2020

The deferred outflows of resources related to the FRS Pension Plan, totaling \$4,265,714 resulting from the County's contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the FRS Pension Plan will be recognized in pension expense as follows:

September 30:	Amount
2021	\$ 19,674,105
2022	9,807,200
2023	16,063,969
2024	11,187,266
2025	8,588,908
Thereafter	2,697,823

Actuarial Assumptions

The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 %
Salary increases	3.25 % average, including inflation
Investment rate of return	6.80 % net of pension plan investment expense

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018 tables.

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The following changes in key actuarial assumptions occurred in 2020: the long-term expected rate of return and the discount rate used to determine the total pension liability was decreased from 6.90% to 6.80%, and the active member mortality assumption was updated.

The long-term expected rate of return on FRS Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Martin County, Florida
Notes to Financial Statements
September 30, 2020

Asset Class	Target Allocation ¹	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00 %	2.20 %	2.20 %	1.20 %
Intermediate-term bonds	19.00 %	3.00 %	2.90 %	3.50 %
Global equity	54.20 %	8.00 %	6.70 %	17.10 %
Real estate (property)	10.30 %	6.40 %	5.80 %	11.70 %
Private equity	11.10 %	10.80 %	8.10 %	25.70 %
Strategic investments	4.40 %	5.50 %	5.30 %	6.90 %
Total	100.00 %			
Assumed Inflation - Mean			2.40 %	1.70 %

¹ As outlined in the Pension Plan's investment policy

Discount Rate - The discount rate used to measure the total pension liability was 6.8%. The FRS Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Department's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Department's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
County's proportionate share of the net pension liability	\$ 360,713,311	\$ 225,893,096	\$ 113,290,665

FRS Pension Plan Fiduciary Net Position - Detailed information regarding the FRS Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

HIS Plan

Plan Description – The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided – For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS Plan payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS Plan payment of \$30 and a maximum HIS Plan payment of \$150 per month. To be eligible to receive

Martin County, Florida
Notes to Financial Statements
September 30, 2020

these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2020, the HIS Plan contribution for the period October 1, 2019, through September 30, 2020, was 1.70%. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contribution is deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The County's contributions to the HIS Plan totaled \$1,930,076 for the fiscal year ended September 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2020, the County reported a liability of \$40,627,249 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The County's proportionate share of the net pension liability was based on the County's 2019-20 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the County's proportionate share was 0.332741937 percent, an increase of 0.00589081 over its proportionate share measured as of June 30, 2019.

For the fiscal year ended September 30, 2020, the County recognized pension expense of \$1,721,177 related to HIS. In addition, the County reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,661,900	\$ (31,341)
Change of assumptions	4,368,586	(2,362,316)
Net difference between projected and actual earnings on pension plan investments	32,438	-
Changes in proportion and differences between county pension plan contributions and proportionate share of contributions	2,280,504	(506,401)
County pension plan contributions subsequent to the measurement date	<u>459,557</u>	<u>-</u>
Total	<u>\$ 8,802,985</u>	<u>\$ (2,900,058)</u>

Martin County, Florida
Notes to Financial Statements
September 30, 2020

The deferred outflows of resources related to the FRS Pension Plan, totaling \$459,557 resulting from the County's contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the FRS Pension Plan will be recognized in pension expense as follows:

September 30:	Amount
2021	\$ 1,189,817
2022	1,074,486
2023	822,734
2024	430,463
2025	593,830
Thereafter	1,332,040

Actuarial Assumptions – The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 %
Salary increases	3.25 % average, including inflation
Investment Rate of Return	2.21 % Municipal Bond Rate

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018 tables. The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The following changes in key actuarial assumptions occurred in 2019: the long-term expected rate of return and the discount rate used to determine the HIS portion of the total pension liability was decreased from 3.50% to 2.21%, and the active member mortality assumption was updated.

Discount Rate - The discount rate used to measure the total pension liability was 2.21%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Plan benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the County's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the County's proportionate share of the net pension liability calculated using the discount rate of 2.21%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
County's proportionate share of the net pension liability	\$ 46,963,286	\$ 40,627,249	\$ 35,441,220

Martin County, Florida
Notes to Financial Statements
September 30, 2020

Pension Plan Fiduciary Net Position - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Investment Plan - The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature.

The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members.

Allocations to the investment member's accounts from the employer's contribution during the 2019-20 fiscal years, as established by Section 121.72, *Florida Statutes*, are based on a percentage of gross compensation, by class, as follows: Regular class 3.30%, Special Risk Administrative Support class 4.95%, Special Risk class 11.00%, Senior Management Service class 4.67% and County Elected Officers class 8.34%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The FRS publishes an annual report that provides ten-year historical trend information about progress made in accumulating sufficient assets to pay benefits when due. This report may be obtained by writing to the Division of Retirement, Research, Education and Policy Section, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-5706, or accessing their Internet site at http://dms.myflorida.com/human_resource_support/retirement.

Martin County, Florida
Notes to Financial Statements
September 30, 2020

Note 15 -Other Postemployment Benefits (OPEB)

Plan Description

In addition to the retirement system described in Note 14, the County provides post-retirement health care benefits, pursuant to Section 112.0801 of Florida Statutes, to all employees who retire from the County after vesting with the State of Florida Retirement System (FRS). Currently, 602 retirees meet those eligibility requirements. Although not required by Florida Law, the County has opted to pay a portion of the cost of such participation for retired County employees through a single employer defined benefit plan (the "Plan") for which benefit provisions may be amended. Employees, other than firefighters, who were hired on or after October 13, 2009, are not eligible for post-retirement health care benefits, however, they may participate in the County's plan, paying the whole cost themselves. The Plan does not issue a stand-alone financial report. All financial information related to the Plan is accounted for in the County's basic financial statements.

Retired employees of the Board of County Commissioners; Clerk of the Circuit Court; Property Appraiser; Supervisor of Elections; and Tax Collector, ("the Agencies"), hired prior to October 13, 2009, who retire after 30 years of service, or after the age of 55, with ten years of credited service with the County and who were participants in the existing medical plan at the time of retirement, are entitled to participation in the Plan. For these retirees, the Agency subsidizes 75% of the cost of health care coverage for the retiree. The retiree may choose family coverage, but would have to pay the difference in premium cost to the Agency.

Eligible IAFF (International Association of Fire Fighters) employees wishing to participate in the County's health insurance program upon retirement must have worked for Martin County for ten years, be at least 55 years of age, or have worked for a Florida Retirement System Employer for at least 25 years including ten years with Martin County, regardless of age. The retired employee must be receiving retirement benefits from the Florida Retirement System (FRS) in order to participate in the Plan. Effective October 1, 2011, the Board of County Commissioners reduced the health premium subsidy provided to its retiring firefighters. Those that retired prior to that date will be grandfathered and continue to receive the subsidy of the County paying 75% of insurance cost regardless of the level of coverage (including any dependent coverage). Firefighters who retired after September 30, 2011, will not receive any direct subsidy to dependent coverage; however, the County will continue paying 75% of single premiums until the retiree attains Medicare eligibility. For retirees eligible for Medicare, the County will contribute 25% of the applicable single premium.

The Sheriff's Office provides postretirement health care benefits, in accordance with state statutes, to all employees who retire from the Sheriff's Office after vesting with the state of Florida Retirement System (FRS). Currently, 291 retirees meet those eligibility requirements. The Sheriff subsidizes 75% of the amount of health care costs for retirees hired before January 1, 2001, and who have completed ten or more years of creditable, continuous service with the Sheriff's Office. Employees hired after that date through December 31, 2009, are subsidized 60% to 75%, depending on the years of service. Employees hired on or after January 1, 2010, with at least 20 years of service will be subsidized 70% to 75%. Full-time employees hired on or after April 1, 2011 who wish to continue their health insurance benefits upon their retirement, shall be responsible for 100% of their insurance costs. The health care rates for retirees are the same as for active employees. All retirees who have life insurance at the time of their retirement are eligible for a \$5,000 life insurance policy on themselves only, which is subsidized 50% by the Sheriff. The Sheriff does not issue a stand-alone financial report for OPEB.

Funding Policy

The contribution requirements of plan members and the employer are established by the Board of County Commissioners and may be amended. All entities of the County are required by *Florida Statute* 112.0801 to allow their retirees (and eligible dependents) to continue participation in the group insurance plan. Retirees must be offered the same coverage as is offered to active employees at a premium cost of no more than the premium cost applicable

Martin County, Florida
Notes to Financial Statements
September 30, 2020

to active employees which results in an implicit subsidy as defined by GASB Codification Section P52: *Postemployment Benefits Other Than Pensions – Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria.*

At September 30, 2020, retirees receiving benefits contributed the following monthly premiums in the following categories for Agencies (BOCC, except IAFF, and all constitutionals except the Sheriff), IAFF, and Sheriff:

	Agencies	Fire Rescue IAFF	Sheriff
Monthly Minimum	\$ 80	\$ 80	\$ 140
Monthly Maximum	\$ 1,535	\$ 1,151	\$ 1,703

Funding for the plan is on a pay-as-you-go basis from the County's general assets when due. There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The County has set an internal assignment of \$5.4 million for this purpose; interest totaling \$92,548 had accrued as of September 30, 2020. The Sheriff's Department has no internal assignment for OPEB.

For the fiscal year ended September 30, 2020, the County provided explicit subsidy contributions of \$3,052,931 to cover retired employees and \$3,044,690 for the Sheriff's Office to cover retired employees. Blended premium rates for active and retired employees combined provide an implicit subsidy for retirees because, on an actual basis, their current and future claims are expected to result in higher costs to the Plan than those of active employees. The current year contributions include an estimate of this implied subsidy.

Plan Membership

Effective for fiscal year 2020, the Enterprise Funds portion of the OPEB liability is being recorded in the Proprietary Fund Statements.

As of September 30, 2019, membership consisted of the following:

	Agencies without Enterprise	Enterprise Funds	Sheriff
Active employees	1,013	113	519
Retired participants	331	-	301
Total	1,344	113	820

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined based on the following assumptions and information:

Actuarial valuation date	September 30, 2019
Measurement date of the total OPEB liability	September 30, 2019
Employer's reporting date	September 30, 2020
Actuarial cost method	Entry Age Normal

Martin County, Florida
Notes to Financial Statements
September 30, 2020

Discount Rate: The discount rate of 2.75% is based on the daily rate of Fidelity's General Obligation AA Index closest to but no later than the measurement date, which provides a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Inflation: 2.25 % per year

Salary Increases: 3.70% - 7.80% per year, including inflation

Healthcare Cost Trend Rates: Rates are based on the Getzen Model, with trend starting at 6.5% on January 1, 2020, followed by 6.25% on January 1, 2021, and gradually decreasing to an ultimate trend rate of 3.99% plus 0.35% increase for excise tax; and Sheriff trend starting at 4.1% on October 1, 2020, followed by 6.25% on October 1, 2021, and gradually decreasing to an ultimate trend rate of 3.99% plus 0.48% increase for excise tax.

Mortality Rates: Mortality rates are based on the results of a state wide experience study covering the period 2008-2013.

Premium Rate Subsidy: For Agencies and Fire Rescue, a subsidized rate is available to employees hired by the County before October 13, 2009, and retiring with at least ten years of service with the County who meet requirements for Normal Retirement or upon attaining age 55. The amount and duration of the subsidy depends on the employment classification and date of retirement. For Sheriff, a subsidized rate based on a sliding scale is available for full-time employees of the Sheriff's Office hired on or after June 1, 2007, who qualify under the Disability or Normal Retirement requirements of FRS and who work the last ten continuous years with the Sheriff's Office.

Demographic Assumptions: Unless otherwise noted, demographic assumptions used were the same as those employed in the July 1, 2018, actuarial valuation of the Florida Retirement System (FRS), which were developed by FRS from an Actuarial Experience Study completed for the period July 1, 2008, through June 30, 2013.

Expenses: Administrative expenses are included in per capita health costs.

Changes Since the Prior Valuation: Changes in assumptions and other inputs include the change in the discount rate from 3.83% as of September 30, 2018, to 2.75% as of September 30, 2019. There were no benefit changes during the year.

At September 30, 2020, the County reported a total OPEB liability of \$175,323,842. Information required by GASB Codification Section P52: *Postemployment Benefits Other Than Pensions – Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria* is being provided as of the September 30, 2019, the measurement date.

	Total OPEB Liability
Board, including Enterprise Funds	\$ 68,688,826
Clerk	7,356,969
Property Appraiser	2,437,804
Sheriff	92,500,750
Supervisor of Elections	303,152
Tax Collector	4,036,341
Total	<u><u>\$175,323,842</u></u>

Martin County, Florida
Notes to Financial Statements
September 30, 2020

Changes in Total OPEB Liability

The County's changes in total OPEB liability for the year ended September 30, 2019 (measurement date), were as follows:

Service Cost	\$	4,554,660
Interest on the total OPEB liability		6,172,603
Difference between expected and actual experience of the total OPEB liability		9,201,131
Changes in assumptions and other inputs		1,215,401
Benefit payments		<u>(4,859,717)</u>
Net change in total OPEB liability	\$	<u>16,284,078</u>

Sensitivity of the Total OPEB Liability

The following table represents the County's total OPEB liability calculated using the discount rate of 2.75%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.75%) or one percentage point higher (3.75%) than the current rate:

	1% Decrease (1.75%)	Current Discount Rate (2.75%)	1% Increase (3.75%)
Total OPEB Liability	\$203,398,333	\$175,323,842	\$152,234,675

The following table represents the County's total OPEB liability (aggregating Agencies and the Sheriff's Office) calculated using the current health care cost trend rate, as well as what the County's total OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Ultimate Trend Rate	1% Increase
Total OPEB Liability	\$148,465,335	\$175,323,842	\$209,875,516

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended September 30, 2020, the County recognized OPEB expense as follows:

Service cost	\$	4,554,660
Interest on the total OPEB liability		6,172,603
Recognition of outflow/inflow of resources due to liabilities		<u>(1,025,026)</u>
Total	\$	<u>9,702,237</u>

Martin County, Florida
Notes to Financial Statements
September 30, 2020

In addition, the County reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

Deferred Outflows of Resources				
	Agencies Without Enterprise	Enterprise Funds	Sheriff	Total
Difference between expected and actual experience	\$ 5,641,861	\$ 215,694	\$ 2,296,912	\$ 8,154,467
Changes in assumptions and other inputs	5,785,193	221,173	-	6,006,366
Benefits paid after the measurement date	2,403,197	91,876	2,852,127	5,347,200
Total	<u>\$ 13,830,251</u>	<u>\$ 528,743</u>	<u>\$ 5,149,039</u>	<u>\$ 19,508,033</u>

Deferred Inflows of Resources				
	Agencies Without Enterprise	Enterprise Funds	Sheriff	Total
Difference between expected and actual experience	\$ -	\$ -	\$ -	\$ -
Changes in assumptions and other inputs	4,970,906	190,042	12,142,110	17,303,058
Total	<u>\$ 4,970,906</u>	<u>\$ 190,042</u>	<u>\$ 12,142,110</u>	<u>\$ 17,303,058</u>

The deferred outflows of resources related to OPEB resulting from County contributions paid subsequent to the measurement date total \$5,347,200, and will be recognized as a reduction of the total OPEB liability in the fiscal year ending September 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in the expense as follows:

September 30:	Amount
2021	\$ (1,025,026)
2022	(1,025,026)
2023	(1,025,026)
2024	(1,025,026)
2025	(1,025,026)
Thereafter	1,982,905
Total	<u>\$ (3,142,225)</u>

Deferred inflows of resources arising from changes in assumptions and other inputs will be recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the remaining service lives of all employees that are provided with OPEB through the Plan. At September 30, 2019, the average of the expected remaining service lives is 8.9 years for Agency employees and 8.1 years for employees of the Sheriff's Office.

Martin County, Florida
Notes to Financial Statements
September 30, 2020

Note 16 -Risk Management

The County 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 coverage for property, general liability, automobile liability, workers' compensation, and public employee bond and comprehensive crime loss is covered through a comprehensive property and liability risk management program reported in the Self-Insurance Fund, which was initiated in October 1987, when the County entered into an interlocal agreement with City of Stuart, City of Port St. Lucie, and St. Lucie County to form the Tri-County Risk Management Program (TRICO), a public entity risk pool. TRICO, a self-insured fund, was organized to develop, implement, and administer a multi-district cooperative property and casualty risk management program for the member cities and counties in which risk of loss is transferred to TRICO. The County makes an annual actuarially determined contribution to TRICO and the interlocal agreement and by-laws of TRICO call for it to be self-sustaining through member contributions. However, the County is subject to supplemental contributions in the event of deficiency except to the extent that the deficiency results from a specific claim against another member in excess of the coverage available, then such deficiency is solely the responsibility of that member.

The County provides health insurance for its employees, retirees, and eligible dependents. Employees may choose single or family coverage and pay 25% of premiums, while the county pays 75% of premiums. Participants in the program make payments to the Self-Insurance Fund based on estimates of amounts needed to pay prior and current year claims and to establish an additional liability for claims incurred but not reported.

Fund revenues are primarily insurance contributions from other funds. The revenues are planned to match contributions made to the self-insured comprehensive risk management program, expenses of insurance premiums for excess coverage, estimated payments of claims resulting from the self-insurance program and the operating expenses. Settled claims have not exceeded coverage in the past three years.

Annual contributions associated with the TRICO interlocal agreement are presented as expenses in the self-insurance fund, based on actuarially determined contributions required. In addition, self-insurance fund liabilities for employee health are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Employee health liabilities include an amount for claims that have been incurred but not reported and also any administrative costs reported as accounts payable at year end. Estimates of claims liabilities are determined using actuarial methods and experience of claims history.

Changes in balances of accounts payable and claims liabilities associated with employee health during the past two years are as follows:

Accounts payable & accrued insurance claims at October 1, 2018	\$ 1,860,413
Expenses incurred	40,756,418
Claims paid	<u>(39,600,886)</u>
Accounts payable & accrued insurance claims at September 30, 2019	3,015,945
Expenses incurred	40,969,952
Claims paid	<u>(40,783,547)</u>
Accounts payable & accrued insurance claims at September 30, 2020	<u><u>\$ 3,202,350</u></u>

Martin County, Florida
Notes to Financial Statements
September 30, 2020

Note 17 -Contingencies

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the state and federal governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Claims covered by the self-insurance program are reviewed and losses are accrued as required in the judgment of management. In the opinion of management, based on the advice of legal counsel, the ultimate disposition of these lawsuits and claims will not have a material adverse effect on the financial position of the County.

Note 18 -Subsequent Events

In October 2020, the County entered into a \$14.46 million loan agreement with the State of Florida, Department of Environmental Protection (FDEP), for the construction of a Wastewater Treatment Facility in the Golden Gate area.

Note 19 -New Accounting Pronouncements

The impact of the following accounting pronouncements are currently being assessed by the County as to the impact to the financial statements. Other recently issued financial statements are not expected to have a material effect to the County's financial statements.

GASB 84, *Fiduciary Activities*, is effective for reporting periods beginning after December 15, 2019. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The County is aware of this statement and will assess its impact to ensure timely implementation.

GASB 87, *Leases*, is effective for reporting periods beginning after June 15, 2021. The statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset, which should result in the recognition and reporting of leased assets and the liability associated with subsequent lease payments, which have historically been classified as operating leases of the current reporting period only. The new statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset, with the lessor required to recognize a lease receivable and a deferred inflow of resources. This statement will have a financial impact on the County upon adoption.

GASB 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, is effective for reporting periods beginning after December 15, 2020. It replaces paragraph 5-22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The County is aware of this statement and will assess its impact to ensure timely implementation.

GASB 90, *Majority Equity Interest – an amendment of GASB Statements No. 14 and No. 61*, is effective for reporting periods beginning after December 15, 2019. It improves the consistency and comparability of reporting a

Martin County, Florida
Notes to Financial Statements
September 30, 2020

government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. The County is aware of this statement and will assess its impact to ensure timely implementation.

GASB 91, *Conduit Debt Obligations*, is effective for reporting periods beginning after December 15, 2021. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. The County is aware of this statement and will assess its impact to ensure timely implementation.

GASB 92, *Omnibus 2020*, is effective for reporting periods beginning after June 15, 2021. The objectives of this Statement are to enhance comparability in accounting and financial reporting during implementation and application of certain GASB Statements. It addresses a variety of topics including provisions related to Statement No. 84, *Fiduciary Activities* and No. 87, *Leases*; and reporting and applicability regarding other postemployment benefit (OPEB) plans, asset retirement obligations (AROs), fair value measurements, etc. The County is aware of this statement and will assess its impact to ensure timely implementation.

GASB 93, *Replacement of Interbank Offered Rates*, is effective for reporting periods beginning after June 15, 2020. The primary objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The County is aware of this statement and will assess its impact to ensure timely implementation.

GASB 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, is effective for reporting periods beginning after June 15, 2022. The primary objective of this Statement is to improve financial reporting by addressing issues related to Public-Private and Public-Public Partnership (PPP) arrangements. The County is aware of this statement and will assess its impact to ensure timely implementation.

GASB 96, *Subscription-Based Information Technology Arrangements*, is effective for reporting periods beginning after June 15, 2022. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). The County is aware of this statement and will assess its impact to ensure timely implementation.

GASB 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code (IRC) Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, is effective for reporting periods beginning after June 15, 2021. The primary objectives of this Statement are to (1) increase the consistency and comparability of fiduciary component unit reporting; (2) mitigate costs associated with the reporting of defined contribution pension and OPEB plans; and (3) enhance the accounting and financial reporting for IRC Section 457 deferred compensation plans. The County is aware of this statement and will assess its impact to ensure timely implementation.

REQUIRED SUPPLEMENTARY
INFORMATION
(Unaudited)



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Martin County, Florida
Required Supplementary Information (Unaudited)
September 30, 2020

**Schedule of Changes in Martin County
Total OPEB Liability and Related Ratios**

Last 10 Fiscal Years¹

Measurement Year Ended September 30,	2019	2018	2017
Total OPEB liability:			
Service cost	\$ 4,554,660	\$ 4,788,408	\$ 5,144,071
Interest on the total OPEB liability	6,172,603	5,720,398	5,227,897
Difference between expected and actual experience of the total OPEB liability ²	9,201,131	-	-
Changes in assumptions and other inputs	1,215,401	(7,887,942)	(10,017,812)
Benefit payments	(4,859,717)	(4,465,311)	(5,935,446)
Net change in total OPEB liability	16,284,078	(1,844,447)	(5,581,290)
Total OPEB liability - beginning	159,039,764	160,884,211	166,465,501
Total OPEB liability - ending	<u>\$175,323,842</u>	<u>\$ 159,039,764</u>	<u>\$160,884,211</u>
Covered-employee payroll for the measurement period	\$111,865,282	\$ 104,033,520	\$ 98,632,591
Total OPEB liability as a percentage of covered-employee payroll	156.73 %	152.87 %	163.11 %

Notes to the Schedule

- ¹ GASB Statement No. 75 was implemented in fiscal year 2018. Until a full 10-year trend is compiled, the County is presenting information only for those years for which it is available.
- ² Total OPEB liability at the beginning of the initial period of implementation was developed by rolling back the liability from the measurement date as permitted by Q&A 4.499 of the Implementation Guide No. 2017-3. Consequently, there was no difference between expected and actual experience. For the measurement year ended September 30, 2019, the liability was measured using updated procedures as allowed by the standards; therefore, there are no experience-related changes in the liability in that measurement year.
- ³ No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75 to pay related benefits. There is no actuarial determined contribution to the OPEB plan. There were no benefit changes during the measurement period. Amounts reported as changes in assumptions and other inputs include the change in the discount rate from 3.83% as of the beginning of the measurement period to 2.75% as of September 30, 2019.

Martin County, Florida
Required Supplementary Information (Unaudited)
September 30, 2020

Schedule of Martin County Proportionate Share of Net Pension Liability
Florida Retirement System

Last 10 Fiscal Years*

	2020	2019	2018
Martin County's proportionate share of the net pension liability	225,893,095	175,332,394	147,474,716
Martin County's covered payroll	\$ 115,751,825	\$ 109,619,462	\$ 102,805,084
Martin County's proportionate share of the net pension liability as a percentage of its covered payroll	195.15 %	159.95 %	143.45 %
Plan fiduciary net position as a percentage of the total pension liability	78.85 %	82.61 %	84.26 %

* The amounts presented for each fiscal year were determined as of June 30, 2020. This Schedule is presented to illustrate the requirements of GASB Statement No. 68. Only data beginning with fiscal year ending September 30, 2014, is available.

Schedule of Martin County Contributions
Florida Retirement System

Last 10 Fiscal Years*

	2020	2019	2018
Contractually required contribution	\$ 17,522,378	\$ 16,281,660	\$ 14,320,988
Contributions in relation to the contractually required contribution	(17,522,378)	(16,281,660)	(14,320,988)
Martin County covered payroll	\$ 116,500,509	\$ 111,865,282	\$ 104,033,520
Contributions as a percentage of covered payroll	15.04 %	14.55 %	13.77 %

* The amounts presented for each fiscal year were determined as of September 30, 2020. This Schedule is presented to illustrate the requirements of GASB Statement No. 68. Only data beginning with fiscal year ending September 30, 2014, is available.

2017	2016	2015	2014
147,652,883	126,549,211	61,180,345	29,327,049
\$ 99,529,340	\$ 95,364,963	\$ 93,967,225	\$ 91,783,680
148.35 %	132.70 %	65.11 %	31.95 %
83.89 %	84.88 %	92.00 %	96.09 %

2017	2016	2015	2014
\$ 12,980,128	\$ 12,533,055	\$ 11,723,425	\$ 14,737,469
(12,980,128)	(12,533,055)	(11,723,425)	(14,737,469)
\$ 98,632,591	\$ 95,308,577	\$ 94,440,184	\$ 92,335,490
13.16 %	13.15 %	12.41 %	15.96 %

Martin County, Florida
Required Supplementary Information (Unaudited)
September 30, 2020

Schedule of Martin County Proportionate Share of Net Pension Liability
Health Insurance Subsidy Program

Last 10 Fiscal Years*

	2020	2019	2018
Martin County's proportionate share of the net pension liability	\$ 40,627,249	\$ 36,571,370	\$ 33,248,972
Martin County's covered payroll	\$ 115,751,825	\$ 109,619,462	\$ 102,805,084
Martin County's proportionate share of the net pension liability as a percentage of its covered payroll	35.10 %	33.36 %	32.34 %
Plan fiduciary net position as a percentage of the total pension liability	3.00 %	2.63 %	2.15 %

* The amounts presented for each fiscal year were determined as of June 30, 2020. This Schedule is presented to illustrate the requirements of GASB Statement No. 60. Only data beginning with fiscal year ending September 30, 2014, is available.

Schedule of Martin County Contributions
Health Insurance Subsidy Program

Last 10 Fiscal Years*

	2020	2019	2018
Contractually required contribution	\$ 1,930,076	\$ 1,851,963	\$ 1,723,669
Contributions in relation to the contractually required contribution	(1,930,076)	(1,851,963)	(1,723,669)
Martin County's covered payroll	\$ 116,500,509	\$ 111,865,282	\$ 104,033,520
Contributions as a percentage of covered payroll	1.66 %	1.66 %	1.66 %

* The amounts presented for each fiscal year were determined as of September 30, 2020. This Schedule is presented to illustrate the requirements of GASB Statement No. 68. Only data beginning with fiscal year ending September 30, 2014, is available.

2017	2016	2015	2014
\$ 33,319,888	\$ 35,906,770	\$ 31,515,967	\$ 28,817,667
\$ 99,529,340	\$ 95,364,963	\$ 93,967,225	\$ 91,783,680
33.48 %	37.65 %	33.54 %	31.40 %
1.64 %	0.50 %	0.50 %	0.99 %

2017	2016	2015	2014
\$ 1,633,796	\$ 1,582,714	\$ 1,284,136	\$1,112,633.00
(1,633,796)	(1,582,714)	(1,284,136)	1,112,633.00)
\$ 98,632,591	\$ 95,298,577	\$ 94,440,184	\$ 92,335,490
1.66 %	1.66 %	1.36 %	1.20 %



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COMBINING BALANCE SHEETS

Martin County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020

	Special Revenue				
	District One MSTU	District Two MSTU	District Three MSTU	District Four MSTU	District Five MSTU
ASSETS					
Cash and cash equivalents	\$ 21,441	\$ 49,670	\$ 138,808	\$ 30,456	\$ 77,106
Investments	732,109	191,718	255,421	193,009	204,387
Accounts receivable	-	-	-	-	-
Assessments receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governmental agencies	-	-	-	-	-
Inventories	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	\$ 753,550	\$ 241,388	\$ 394,229	\$ 223,465	\$ 281,493
LIABILITIES					
Accounts payable	\$ -	\$ 6,700	\$ -	\$ 2,944	\$ 1,200
Accrued wages payable	-	-	-	-	-
Contracts payable - retainage	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governmental agencies	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	-	6,700	-	2,944	1,200
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
FUND BALANCES					
Nonspendable:					
Inventories	-	-	-	-	-
Permanent fund principal	-	-	-	-	-
Prepaid items	-	-	-	-	-
Restricted for:					
Bond covenants or debt service	-	-	-	-	-
Culture and recreation projects	-	-	-	-	-
Public safety	-	-	-	-	-
Housing grants and other	-	-	-	-	-
Court operations	-	-	-	-	-
Capital projects	-	-	-	-	-
Other restricted purposes	-	-	-	-	-
Committed to:					
Ordinance/MSTU/Other	753,550	234,688	394,229	220,521	280,293
Ordinance/Judicial	-	-	-	-	-
Ordinance/Culture and recreation	-	-	-	-	-
Ordinance/Economic Development	-	-	-	-	-
Assigned to:					
Capital projects	-	-	-	-	-
Other assigned purposes	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	753,550	234,688	394,229	220,521	280,293
Total liabilities, deferred inflows and fund balances	\$ 753,550	\$ 241,388	\$ 394,229	\$ 223,465	\$ 281,493

Special Revenue

Unincorporated MSTUs	Other MSTUs	Other State Grants	SHIP - State Housing Grants	Local Grants
\$ 593,302	\$ 214,653	\$ 296,370	\$ 34,244	\$ 151,163
12,825,575	11,902,231	406	1,278,720	192,155
30,000	-	-	-	-
-	268,927	-	-	-
-	1,564	-	-	364
119,336	141,699	1,671,921	-	526,187
-	-	-	-	-
-	-	-	-	-
<u>\$ 13,568,213</u>	<u>\$ 12,529,074</u>	<u>\$ 1,968,697</u>	<u>\$ 1,312,964</u>	<u>\$ 869,869</u>
\$ 151,224	\$ 530,454	\$ 180,655	\$ 32,183	\$ 14,131
365,394	167,356	7,627	-	9,435
-	1,815	21,323	-	-
-	115,443	1,500,000	-	601,564
-	575	-	-	-
-	4,850	-	-	-
<u>516,618</u>	<u>820,493</u>	<u>1,709,605</u>	<u>32,183</u>	<u>625,130</u>
-	410,626	1,540,230	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	257,063	-	1,280,781	244,739
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
11,005,813	11,040,892	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,045,782	-	-	-	-
-	-	(1,281,138)	-	-
<u>13,051,595</u>	<u>11,297,955</u>	<u>(1,281,138)</u>	<u>1,280,781</u>	<u>244,739</u>
<u>\$ 13,568,213</u>	<u>\$ 12,529,074</u>	<u>\$ 1,968,697</u>	<u>\$ 1,312,964</u>	<u>\$ 869,869</u>

(continued)

Martin County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020
(continued)

	Special Revenue					
	Other Impact Fees	Transportation Impact Fees	Public Safety	Judicial	Economic Development	Culture and Recreation
ASSETS						
Cash and cash equivalents	\$ 1,119,961	\$ 1,194,557	\$ 515,212	\$ 188,215	\$ 533,675	\$ 269,138
Investments	5,943,037	3,193,630	3,104,066	675,067	4,291,494	143,752
Accounts receivable	-	-	33,652	-	-	-
Assessments receivable	-	-	-	-	-	-
Due from other funds	-	-	84,617	-	-	-
Due from other governmental agencies	16,979	36,910	219,782	-	-	-
Inventories	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	\$ 7,079,977	\$ 4,425,097	\$ 3,957,329	\$ 863,282	\$ 4,825,169	\$ 412,890
LIABILITIES						
Accounts payable	\$ 699,541	\$ 8,885	\$ 772,374	\$ 108,107	\$ 456,349	\$ 2,988
Accrued wages payable	87	-	4,756	8,480	18,533	-
Contracts payable - retainage	-	-	-	-	2,770	-
Due to other funds	-	-	112,186	15,000	-	87
Due to other governmental agencies	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	699,628	8,885	889,316	131,587	477,652	3,075
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	64,000	-	-	-
FUND BALANCES						
Nonspendable:						
Inventories	-	-	-	-	-	-
Permanent fund principal	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Restricted for:						
Bond covenants or debt service	-	-	-	-	-	-
Culture and recreation projects	3,148,089	-	-	-	-	-
Public safety	2,322,210	-	3,004,013	-	-	-
Housing grants and other	-	-	-	-	-	-
Court operations	-	-	-	234,165	-	-
Capital projects	498,433	4,416,212	-	-	-	-
Other restricted purposes	411,617	-	-	-	3,290,904	-
Committed to:						
Ordinance/MSTU/Other	-	-	-	-	-	-
Ordinance/Judicial	-	-	-	497,530	-	-
Ordinance/Culture and recreation	-	-	-	-	-	83,114
Ordinance/Economic Development	-	-	-	-	1,056,613	-
Assigned to:						
Capital projects	-	-	-	-	-	-
Other assigned purposes	-	-	-	-	-	326,701
Unassigned						
Total fund balances	6,380,349	4,416,212	3,004,013	731,695	4,347,517	409,815
Total liabilities, deferred inflows and fund balances	\$ 7,079,977	\$ 4,425,097	\$ 3,957,329	\$ 863,282	\$ 4,825,169	\$ 412,890

Special Revenue				Debt Service		
Franchise Fees	Clerk Special Revenue	Sheriff Special Revenue	Total	Revenue Bonds	Bank Notes and Loans	Total
\$ 1,156,084	\$ 706,752	\$ 882,020	\$ 8,172,827	\$ 750,921	\$ 233,109	\$ 984,030
17,800,276	365,431	-	63,292,484	-	1,743,033	1,743,033
1,900	-	52,449	118,001	-	-	-
-	-	-	268,927	-	2,298,930	2,298,930
-	31,676	9,063	127,284	-	-	-
-	-	202,514	2,935,328	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$18,958,260</u>	<u>\$ 1,103,859</u>	<u>\$ 1,146,046</u>	<u>\$ 74,914,851</u>	<u>\$ 750,921</u>	<u>\$ 4,275,072</u>	<u>\$ 5,025,993</u>
\$ 231,695	\$ 25,300	\$ 5,775	\$ 3,230,505	\$ -	\$ -	\$ -
3,504	-	-	585,172	-	-	-
6,248	-	-	32,156	1,260	10,920	12,180
-	-	316,339	2,660,619	-	-	-
-	-	-	575	-	-	-
-	-	-	4,850	-	-	-
<u>241,447</u>	<u>25,300</u>	<u>322,114</u>	<u>6,513,877</u>	<u>1,260</u>	<u>10,920</u>	<u>12,180</u>
-	-	-	2,014,856	-	2,298,930	2,298,930
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	749,661	1,965,222	2,714,883
-	-	-	3,148,089	-	-	-
-	-	823,932	6,150,155	-	-	-
130,224	-	-	1,912,807	-	-	-
-	1,078,559	-	1,312,724	-	-	-
-	-	-	4,914,645	-	-	-
-	-	-	3,702,521	-	-	-
18,586,589	-	-	42,516,575	-	-	-
-	-	-	497,530	-	-	-
-	-	-	83,114	-	-	-
-	-	-	1,056,613	-	-	-
-	-	-	-	-	-	-
-	-	-	2,372,483	-	-	-
-	-	-	(1,281,138)	-	-	-
<u>18,716,813</u>	<u>1,078,559</u>	<u>823,932</u>	<u>66,386,118</u>	<u>749,661</u>	<u>1,965,222</u>	<u>2,714,883</u>
<u>\$18,958,260</u>	<u>\$ 1,103,859</u>	<u>\$ 1,146,046</u>	<u>\$ 74,914,851</u>	<u>\$ 750,921</u>	<u>\$ 4,275,072</u>	<u>\$ 5,025,993</u>

(continued)

Martin County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020
(continued)

	Capital Projects				Permanent Fund	Total Nonmajor Governmental Funds
	Recreation Projects	Transportation Road Projects	Other Capital Projects	Total	Port Salerno Memorial Trust	
ASSETS						
Cash and cash equivalents	\$ 75,954	\$ 959,340	\$ -	\$ 1,035,294	\$ 116	\$ 10,192,267
Investments	15,090,186	12,477,024	-	27,567,210	39,166	92,641,893
Accounts receivable	14,000	19,062	-	33,062	-	151,063
Assessments receivable	-	239,872	-	239,872	-	2,807,729
Due from other funds	-	-	-	-	-	127,284
Due from other governmental agencies	3,413,227	1,911,285	-	5,324,512	-	8,259,840
Inventories	-	891,449	-	891,449	-	891,449
Prepaid items	-	125	-	125	-	125
Total assets	\$ 18,593,367	\$ 16,498,157	\$ -	\$ 35,091,524	\$ 39,282	\$ 115,071,650
LIABILITIES						
Accounts payable	\$ 500,982	\$ 1,053,709	\$ -	\$ 1,554,691	\$ 212	\$ 4,785,408
Accrued wages payable	11,098	362,426	-	373,524	-	958,696
Contracts payable - retainage	-	256,295	-	256,295	-	300,631
Due to other funds	364	-	-	364	-	2,660,983
Due to other governmental agencies	-	137,988	-	137,988	-	138,563
Unearned revenue	-	-	-	-	-	4,850
Total liabilities	512,444	1,810,418	-	2,322,862	212	8,849,131
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	3,413,227	592,185	-	4,005,412	-	8,319,198
FUND BALANCES						
Nonspendable:						
Inventories	-	891,449	-	891,449	-	891,449
Permanent fund principal	-	-	-	-	22,662	22,662
Prepaid items	-	125	-	125	-	125
Restricted for:						
Bond covenants or debt service	-	-	-	-	-	2,714,883
Culture and recreation projects	-	-	-	-	-	3,148,089
Public safety	-	-	-	-	-	6,150,155
Housing grants and other	-	1,710	-	1,710	-	1,914,517
Court operations	-	-	-	-	-	1,312,724
Capital projects	1,324,386	12,488,533	-	13,812,919	-	18,727,564
Other restricted purposes	-	-	-	-	16,408	3,718,929
Committed to:						
Ordinance/MSTU/Other	-	-	-	-	-	42,516,575
Ordinance/Judicial	-	-	-	-	-	497,530
Ordinance/Culture and recreation	-	-	-	-	-	83,114
Ordinance/Economic Development	-	-	-	-	-	1,056,613
Assigned to:						
Capital projects	13,343,310	713,737	-	14,057,047	-	14,057,047
Other assigned purposes	-	-	-	-	-	2,372,483
Unassigned	-	-	-	-	-	(1,281,138)
Total fund balances	14,667,696	14,095,554	-	28,763,250	39,070	97,903,321
Total liabilities, deferred inflows and fund balances	\$ 18,593,367	\$ 16,498,157	\$ -	\$ 35,091,524	\$ 39,282	\$ 115,071,650

COMBINING STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES
IN FUND BALANCES

Martin County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2020

	Special Revenue				
	District One	District Two	District Three	District Four	District Five
	MSTU	MSTU	MSTU	MSTU	MSTU
REVENUES					
Taxes	\$ 303,831	\$ 216,729	\$ 210,548	\$ -	\$ 252,960
Permits, fees and special assessments	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest income	9,558	3,604	4,823	3,327	3,555
Contributions - private sources & donations	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-
Total revenues	313,389	220,333	215,371	3,327	256,515
EXPENDITURES					
Current:					
General government	56,195	15,869	25,933	1,999	82,803
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	11,800	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	8,831	-
Culture and recreation	-	5,902	25,000	-	-
Capital outlay	21,451	153,831	27,902	-	99,998
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Other debt service costs	-	-	-	-	-
Total expenditures	77,646	175,602	90,635	10,830	182,801
Excess (deficiency) of revenues over (under) expenditures	235,743	44,731	124,736	(7,503)	73,714
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	235,743	44,731	124,736	(7,503)	73,714
Fund balances - beginning	517,807	189,957	269,493	228,024	206,579
Fund balances - ending	\$ 753,550	\$ 234,688	\$ 394,229	\$ 220,521	\$ 280,293

Special Revenue

Unincorporated MSTUs	Other MSTUs	Other State Grants	SHIP - State Housing Grants	Local Grants
\$ 1,072,112	\$ 12,117,327	\$ -	\$ -	\$ -
4,870,333	71,269	-	-	-
1,740,060	6,338	2,098,739	360,476	1,675,636
1,195,561	198,383	-	-	-
370,794	-	-	-	-
217,711	242,699	389	17,724	2,837
-	546,752	-	-	-
125,155	18,441	-	190,333	-
<u>9,591,726</u>	<u>13,201,209</u>	<u>2,099,128</u>	<u>568,533</u>	<u>1,678,473</u>
3,420,406	393,700	366,706	-	-
5,798,347	-	113,078	-	288,461
-	3,610,120	75,000	-	38,839
-	2,669,466	685,689	-	-
-	6	-	718,278	-
-	-	46,738	-	29,550
-	2,861,736	45,728	-	325,857
240,358	2,085,540	1,932,045	-	482,804
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>9,459,111</u>	<u>11,620,568</u>	<u>3,264,984</u>	<u>718,278</u>	<u>1,165,511</u>
<u>132,615</u>	<u>1,580,641</u>	<u>(1,165,856)</u>	<u>(149,745)</u>	<u>512,962</u>
-	-	476,761	-	-
-	(355,202)	-	-	-
-	(355,202)	476,761	-	-
132,615	1,225,439	(689,095)	(149,745)	512,962
<u>12,918,980</u>	<u>10,072,516</u>	<u>(592,043)</u>	<u>1,430,526</u>	<u>(268,223)</u>
<u>\$ 13,051,595</u>	<u>\$ 11,297,955</u>	<u>\$ (1,281,138)</u>	<u>\$ 1,280,781</u>	<u>\$ 244,739</u>

(continued)

Martin County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2020
(continued)

	Special Revenue					
	Other Impact Fees	Transportation Impact Fees	Public Safety	Judicial	Economic Development	Culture and Recreation
REVENUES						
Taxes	\$ -	\$ -	\$ 8,197,845	\$ -	\$ 2,751,177	\$ -
Permits, fees and special assessments	2,356,057	2,189,818	-	-	-	-
Intergovernmental revenues	-	-	-	-	6,387	-
Charges for services	-	-	865,510	983,416	-	-
Fines and forfeitures	-	-	6,378	-	-	-
Interest income	110,156	61,677	78,450	11,376	68,100	5,931
Contributions - private sources & donations	-	333,908	-	-	-	-
Miscellaneous revenues	-	-	224,314	26,417	394	-
Total revenues	2,466,213	2,585,403	9,372,497	1,021,209	2,826,058	5,931
EXPENDITURES						
Current:						
General government	36,462	-	239,918	1,731,109	104,523	11,999
Public safety	6,714	-	3,815,465	-	-	-
Physical environment	174,923	-	-	-	-	-
Transportation	257	-	-	-	-	-
Economic environment	-	-	-	-	2,604,002	4,252
Human services	-	-	3,746,085	-	-	-
Culture and recreation	115,302	-	-	-	185,985	12,056
Capital outlay	1,545,082	96,623	-	117	215,814	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other debt service costs	-	-	-	-	-	-
Total expenditures	1,878,740	96,623	7,801,468	1,731,226	3,110,324	28,307
Excess (deficiency) of revenues over (under) expenditures	587,473	2,488,780	1,571,029	(710,017)	(284,266)	(22,376)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	459,933	996,306	201,000	-
Transfers out	(1,139,090)	(1,985,000)	(658,189)	(306,235)	-	-
Total other financing sources (uses)	(1,139,090)	(1,985,000)	(198,256)	690,071	201,000	-
Net change in fund balances	(551,617)	503,780	1,372,773	(19,946)	(83,266)	(22,376)
Fund balances - beginning	6,931,966	3,912,432	1,631,240	751,641	4,430,783	432,191
Fund balances - ending	\$ 6,380,349	\$ 4,416,212	\$ 3,004,013	\$ 731,695	\$ 4,347,517	\$ 409,815

Special Revenue				Debt Service		
Franchise Fees	Clerk Special Revenue	Sheriff Special Revenue	Total	Revenue Bonds	Bank Notes and Loans	Total
\$ -	\$ -	\$ -	\$ 25,122,529	\$ -	\$ -	\$ -
8,591,882	-	-	18,079,359	-	188,736	188,736
-	-	602,937	6,490,573	-	2,374,170	2,374,170
-	487,035	567,766	4,297,671	-	-	-
-	-	68,805	445,977	-	-	-
252,416	-	1,283	1,095,616	3,126	133,178	136,304
-	-	-	880,660	-	-	-
7,958	-	134,685	727,697	-	-	-
8,852,256	487,035	1,375,476	57,140,082	3,126	2,696,084	2,699,210
-	32,036	726,491	7,246,149	-	1,563	1,563
-	-	704,861	10,726,926	-	-	-
47,112	-	-	3,945,994	-	-	-
164,901	-	-	3,532,113	-	-	-
4,562	-	-	3,331,100	-	-	-
-	-	-	3,831,204	-	-	-
-	-	-	3,577,566	-	-	-
3,330,912	-	52,518	10,284,995	-	-	-
-	-	-	-	1,015,000	5,927,813	6,942,813
-	-	-	-	1,931,396	1,699,564	3,630,960
-	-	-	-	1,760	12,180	13,940
3,547,487	32,036	1,483,870	46,476,047	2,948,156	7,641,120	10,589,276
5,304,769	454,999	(108,394)	10,664,035	(2,945,030)	(4,945,036)	(7,890,066)
-	31,676	318,910	2,484,586	2,910,530	5,077,008	7,987,538
-	-	(207,868)	(4,651,584)	-	-	-
-	31,676	111,042	(2,166,998)	2,910,530	5,077,008	7,987,538
5,304,769	486,675	2,648	8,497,037	(34,500)	131,972	97,472
13,412,044	591,884	821,284	57,889,081	784,161	1,833,250	2,617,411
\$ 18,716,813	\$ 1,078,559	\$ 823,932	\$ 66,386,118	\$ 749,661	\$ 1,965,222	\$ 2,714,883

(continued)

Martin County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2020
(continued)

	Capital Projects				Permanent Fund	Total Nonmajor Governmental Funds
	Recreation Projects	Transportation Road Projects	Other Capital Projects	Total	Port Salerno Memorial Trust	
REVENUES						
Taxes	\$ 5,455,984	\$ 7,890,500	\$ -	\$ 13,346,484	\$ -	\$ 38,469,013
Permits, fees and special assessments	71,468	614,672	-	686,140	-	18,954,235
Intergovernmental revenues	2,722,028	2,754,336	-	5,476,364	-	14,341,107
Charges for services	-	691,507	-	691,507	-	4,989,178
Fines and forfeitures	-	-	-	-	-	445,977
Interest income	194,989	234,584	7,324	436,897	662	1,669,479
Contributions - private sources & donations	-	35,000	-	35,000	-	915,660
Miscellaneous revenues	159,322	263,231	-	422,553	-	1,150,250
Total revenues	8,603,791	12,483,830	7,324	21,094,945	662	80,934,899
EXPENDITURES						
Current:						
General government	51,512	138,078	-	189,590	1,504	7,438,806
Public safety	-	-	-	-	-	10,726,926
Physical environment	2,552,457	-	-	2,552,457	-	6,498,451
Transportation	-	8,766,981	-	8,766,981	-	12,299,094
Economic environment	-	36,210	-	36,210	-	3,367,310
Human services	-	-	-	-	-	3,831,204
Culture and recreation	1,925	-	-	1,925	-	3,579,491
Capital outlay	468,163	4,568,667	507,423	5,544,253	-	15,829,248
Debt Service:						
Principal	-	-	-	-	-	6,942,813
Interest	-	-	-	-	-	3,630,960
Other debt service costs	-	-	-	-	-	13,940
Total expenditures	3,074,057	13,509,936	507,423	17,091,416	1,504	74,158,243
Excess (deficiency) of revenues over (under) expenditures	5,529,734	(1,026,106)	(500,099)	4,003,529	(842)	6,776,656
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	10,472,124
Transfers out	-	(723,559)	(95,876)	(819,435)	-	(5,471,019)
Total other financing sources (uses)	-	(723,559)	(95,876)	(819,435)	-	5,001,105
Net change in fund balances	5,529,734	(1,749,665)	(595,975)	3,184,094	(842)	11,777,761
Fund balances - beginning	9,137,962	15,845,219	595,975	25,579,156	39,912	86,125,560
Fund balances - ending	\$14,667,696	\$ 14,095,554	\$ -	\$ 28,763,250	\$ 39,070	\$ 97,903,321

STATEMENT OF NET POSITION,
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION &
STATEMENT OF CASH FLOWS
FOR NONMAJOR ENTERPRISE FUNDS

Martin County, Florida
Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2020

	Business Type Activities		
	Enterprise Funds		
	Airport	Golf Course	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 479,939	\$ 156,379	\$ 636,318
Investments	1,531,715	-	1,531,715
Accounts receivable	22,917	-	22,917
Receivables from other governmental agencies	748,921	-	748,921
Inventories	-	4,936	4,936
Assets held for resale or donation	90,000	-	90,000
Prepaid items	-	-	-
Total current assets	2,873,492	161,315	3,034,807
Noncurrent assets:			
Capital assets:			
Land and land use rights - permanent	6,875,978	-	6,875,978
Buildings	5,381,744	1,258,259	6,640,003
Equipment	605,049	1,015,457	1,620,506
Land improvements	-	1,355,456	1,355,456
Airport improvements	33,100,935	-	33,100,935
Construction in progress	1,642,768	-	1,642,768
Intangible assets	10,077	-	10,077
Less accumulated depreciation	(17,356,125)	(1,904,887)	(19,261,012)
Capital assets, net	30,260,426	1,724,285	31,984,711
Total noncurrent assets	30,260,426	1,724,285	31,984,711
Total assets	33,133,918	1,885,600	35,019,518
DEFERRED OUTFLOWS OF RESOURCES			
Pension	145,119	57,644	202,763
Other postemployment benefits	22,180	8,119	30,299
Total deferred outflows of resources	167,299	65,763	233,062
LIABILITIES			
Current liabilities:			
Payable from current assets:			
Accounts payable	310,139	15,832	325,971
Accrued wages payable	28,744	13,684	42,428
Due to other funds	-	150,000	150,000
Accrued compensated absences, current	30,000	8,100	38,100
Unearned revenue	5,553	7,128	12,681
Total current liabilities	374,436	194,744	569,180
Noncurrent liabilities:			
Accrued compensated absences	23,500	11,255	34,755
Other postemployment benefits liability	127,935	46,828	174,763
Net pension liability	482,006	191,464	673,470
Total noncurrent liabilities	633,441	249,547	882,988
Total liabilities	1,007,877	444,291	1,452,168
DEFERRED INFLOWS OF RESOURCES			
Pension	10,141	4,028	14,169
Other postemployment benefits	7,972	2,918	10,890
Total deferred inflows of resources	18,113	6,946	25,059
NET POSITION			
Net investment in capital assets	30,260,426	1,724,286	31,984,712
Restricted:			
Noise abatement projects	90,000	-	90,000
Unrestricted	1,924,801	(224,160)	1,700,641
Total net position	\$ 32,275,227	\$ 1,500,126	\$ 33,775,353

Martin County, Florida
Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended September 30, 2020

	Business Type Activities		
	Enterprise Funds		
	Airport	Golf Course	Total
OPERATING REVENUES			
Charges for services	\$ 2,322,456	\$ 415,710	\$ 2,738,166
Miscellaneous revenues	44,248	5,801	50,049
Total operating revenues	2,366,704	421,511	2,788,215
OPERATING EXPENSES			
Salaries and related expenses	748,820	281,887	1,030,707
General and administrative and claims	794,505	3,687	798,192
Operating and maintenance	443,544	1,364,237	1,807,781
Depreciation and amortization	1,995,862	296,943	2,292,805
Total operating expenses	3,982,731	1,946,754	5,929,485
Operating loss	(1,616,027)	(1,525,243)	(3,141,270)
NONOPERATING REVENUES			
Interest income	26,842	-	26,842
Loss before contributions and transfers	(1,589,185)	(1,525,243)	(3,114,428)
Capital contributions	1,433,234	5,695	1,438,929
Transfers in	-	1,326,731	1,326,731
Change in net position	(155,951)	(192,817)	(348,768)
Total net position - beginning	32,431,178	1,692,943	34,124,121
Total net position - ending	\$ 32,275,227	\$ 1,500,126	\$ 33,775,353

Martin County, Florida
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2020

	<u>Airport</u>	<u>Golf Course</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 2,318,596	\$ 418,216	\$ 2,736,812
Other receipts	44,248	5,801	50,049
Payments for salaries and benefits	(557,036)	(218,849)	(775,885)
Payments to suppliers	(1,714,199)	(1,385,391)	(3,099,590)
Net cash provided (used) by operating activities	<u>91,609</u>	<u>(1,180,223)</u>	<u>(1,088,614)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	1,326,731	1,326,731
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital grants received	1,844,465	-	1,844,465
Purchases of capital assets	(1,906,418)	-	(1,906,418)
Net cash provided (used) by capital and related financing activities	<u>(61,953)</u>	<u>-</u>	<u>(61,953)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and gains (loss) on investments	(811,910)	-	(811,910)
Interest received	26,842	-	26,842
Net cash provided (used) by investing activities	<u>(785,068)</u>	<u>-</u>	<u>(785,068)</u>
Change in cash and cash equivalents	(755,412)	146,508	(608,904)
Cash and cash equivalents - beginning of the year	<u>1,235,351</u>	<u>9,871</u>	<u>1,245,222</u>
Cash and cash equivalents - end of year	<u>\$ 479,939</u>	<u>\$ 156,379</u>	<u>\$ 636,318</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating loss	\$ (1,616,027)	\$ (1,525,242)	\$ (3,141,269)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation and amortization	1,995,862	296,943	2,292,805
Changes in assets and liabilities:			
Accounts receivable, net	(3,860)	63	(3,797)
Deferred outflows, pension	(64,217)	(25,138)	(89,355)
Deferred outflow, OPEB	(16,221)	(5,938)	(22,159)
Unearned revenue	-	2,443	2,443
Inventories	-	(3,256)	(3,256)
Other current assets	660	-	660
Accounts payable	(476,810)	(14,212)	(491,022)
Accrued wages	9,056	7,279	16,335
Deferred inflows, pension	(9,705)	(3,946)	(13,651)
Deferred inflow, OPEB	(1,257)	(460)	(1,717)
Net pension liability	240,361	94,374	334,735
Other post-employment benefits	24,105	8,823	32,928
Accrued compensated absences	9,662	(11,956)	(2,294)
Net cash provided (used) by operating activities:	<u>91,609</u>	<u>(1,180,223)</u>	<u>(1,088,614)</u>
NONCASH INVESTING CAPITAL AND FINANCING ACTIVITIES			
Contributions of capital assets	\$ -	\$ 5,695	\$ 5,695

**SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR NONMAJOR SPECIAL REVENUE,
DEBT SERVICE, AND CAPITAL PROJECT FUNDS
(INCLUDING COUNTY BUILDINGS MAJOR FUND)**

Martin County, Florida
Nonmajor Special Revenue Funds
District One MSTU
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 300,000	\$ 300,000	\$ 303,831	\$ 3,831
Interest income	-	-	9,558	9,558
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>313,389</u>	<u>13,389</u>
EXPENDITURES:				
Current:				
General government	7,316	42,316	56,195	(13,879)
Capital outlay	292,684	775,490	21,451	754,039
Total expenditures	<u>300,000</u>	<u>817,806</u>	<u>77,646</u>	<u>740,160</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(517,806)</u>	<u>235,743</u>	<u>753,549</u>
Net change in fund balances	<u>-</u>	<u>(517,806)</u>	<u>235,743</u>	<u>\$ 753,549</u>
Fund balances, beginning	<u>-</u>	<u>517,807</u>	<u>517,807</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 753,550</u>	

Martin County, Florida
Nonmajor Special Revenue Funds
District Two MSTU
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 215,000	\$ 215,000	\$ 216,729	\$ 1,729
Interest income	-	-	3,604	3,604
Total revenues	<u>215,000</u>	<u>215,000</u>	<u>220,333</u>	<u>5,333</u>
EXPENDITURES:				
Current:				
General government	3,875	3,875	15,869	(11,994)
Culture and recreation	-	-	5,902	(5,902)
Capital outlay	211,125	401,082	153,831	247,251
Total expenditures	<u>215,000</u>	<u>404,957</u>	<u>175,602</u>	<u>229,355</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(189,957)</u>	<u>44,731</u>	<u>234,688</u>
Net change in fund balances	<u>-</u>	<u>(189,957)</u>	<u>44,731</u>	<u>\$ 234,688</u>
Fund balances, beginning	<u>-</u>	<u>189,957</u>	<u>189,957</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,688</u>	

Martin County, Florida
Nonmajor Special Revenue Funds
District Three MSTU
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 208,000	\$ 208,000	\$ 210,548	\$ 2,548
Interest income	-	-	4,823	4,823
Total revenues	<u>208,000</u>	<u>208,000</u>	<u>215,371</u>	<u>7,371</u>
EXPENDITURES:				
Current:				
General government	6,330	6,330	25,933	(19,603)
Transportation	-	11,800	11,800	-
Culture and recreation	-	-	25,000	(25,000)
Capital outlay	201,670	459,362	27,902	431,460
Total expenditures	<u>208,000</u>	<u>477,492</u>	<u>90,635</u>	<u>386,857</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(269,492)</u>	<u>124,736</u>	<u>394,228</u>
Net change in fund balances	<u>-</u>	<u>(269,492)</u>	<u>124,736</u>	<u>\$ 394,228</u>
Fund balances, beginning	<u>-</u>	<u>269,493</u>	<u>269,493</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 394,229</u>	

Martin County, Florida
Nonmajor Special Revenue Funds
District Four MSTU
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Interest income	\$ 2,000	\$ 2,000	\$ 3,327	\$ 1,327
EXPENDITURES:				
Current:				
General government	-	-	1,999	(1,999)
Human services	11,774	11,774	8,831	2,943
Capital outlay	-	218,251	-	218,251
Total expenditures	<u>11,774</u>	<u>230,025</u>	<u>10,830</u>	<u>219,195</u>
Deficiency of revenues under expenditures	<u>(9,774)</u>	<u>(228,025)</u>	<u>(7,503)</u>	<u>220,522</u>
Net change in fund balances	<u>(9,774)</u>	<u>(228,025)</u>	<u>(7,503)</u>	<u>\$ 220,522</u>
Fund balances, beginning	<u>9,774</u>	<u>228,024</u>	<u>228,024</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 220,521</u>	

Martin County, Florida
Nonmajor Special Revenue Funds
District Five MSTU
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 250,000	\$ 250,000	\$ 252,960	\$ 2,960
Interest income	-	-	3,555	3,555
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>256,515</u>	<u>6,515</u>
EXPENDITURES:				
Current:				
General government	3,595	3,595	82,803	(79,208)
Capital outlay	246,405	452,984	99,998	352,986
Total expenditures	<u>250,000</u>	<u>456,579</u>	<u>182,801</u>	<u>273,778</u>
Excess of revenues over expenditures	<u>-</u>	<u>(206,579)</u>	<u>73,714</u>	<u>280,293</u>
Net change in fund balances	<u>-</u>	<u>(206,579)</u>	<u>73,714</u>	<u>\$ 280,293</u>
Fund balances, beginning	<u>-</u>	<u>206,579</u>	<u>206,579</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 280,293</u>	

Martin County, Florida
Nonmajor Special Revenue Funds
Unincorporated MSTUs
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,072,112	\$ (27,888)
Permits, fees and special assessments	4,655,000	4,655,000	4,870,333	215,333
Intergovernmental revenues	2,135,758	1,743,084	1,740,060	(3,024)
Charges for services	1,007,000	1,007,000	1,195,561	188,561
Fines and forfeitures	241,500	241,500	370,794	129,294
Interest income	190,000	190,000	217,711	27,711
Miscellaneous revenues	172,000	172,000	125,155	(46,845)
Statutory budget reduction	(110,000)	(110,000)	-	110,000
Total revenues	9,391,258	8,998,584	9,591,726	593,142
EXPENDITURES:				
Current:				
General government	3,719,693	4,233,476	3,420,406	813,070
Public safety	6,176,812	6,661,660	5,798,347	863,313
Capital outlay	24,000	24,000	240,358	(216,358)
Total expenditures	9,920,505	10,919,136	9,459,111	1,460,025
Excess (deficiency) of revenues over (under) expenditures	(529,247)	(1,920,552)	132,615	2,053,167
OTHER FINANCING SOURCES (USES):				
Reserves	(8,961,541)	(10,998,426)	-	10,998,426
Net change in fund balances	(9,490,788)	(12,918,978)	132,615	\$ 13,051,593
Fund balances, beginning	9,490,788	12,918,980	12,918,980	
Fund balances, ending	\$ -	\$ 2	\$ 13,051,595	

Martin County, Florida
Nonmajor Special Revenue Funds
Other MSTUs
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 11,968,210	\$ 11,968,210	\$ 12,117,327	\$ 149,117
Permits, fees and special assessments	25,000	25,000	71,269	46,269
Intergovernmental revenues	6,200	160,382	6,338	(154,044)
Charges for services	400,000	400,000	198,383	(201,617)
Interest income	111,000	111,000	242,699	131,699
Contributions - private sources & donations	352,000	869,312	546,752	(322,560)
Miscellaneous revenues	14,000	14,000	18,441	4,441
Statutory budget reduction	(39,000)	(39,000)	-	39,000
Total revenues	12,837,410	13,508,904	13,201,209	(307,695)
EXPENDITURES:				
Current:				
General government	393,476	404,326	393,700	10,626
Physical environment	3,895,161	4,723,486	3,610,120	1,113,366
Transportation	2,475,862	4,398,608	2,669,466	1,729,142
Economic environment	-	-	6	(6)
Culture and recreation	3,200,216	3,225,216	2,861,736	363,480
Capital outlay	2,931,183	7,983,613	2,085,540	5,898,073
Total expenditures	12,895,898	20,735,249	11,620,568	9,114,681
Excess (deficiency) of revenues over (under) expenditures	(58,488)	(7,226,345)	1,580,641	8,806,986
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(623,584)	(355,202)	268,382
Reserves	(193,470)	(2,222,586)	-	2,222,586
Total other financing sources (uses)	(193,470)	(2,846,170)	(355,202)	2,490,968
Net change in fund balances	(251,958)	(10,072,515)	1,225,439	\$ 11,297,954
Fund balances, beginning	251,958	10,072,516	10,072,516	
Fund balances, ending	\$ -	\$ 1	\$ 11,297,955	

Martin County, Florida
Nonmajor Special Revenue Funds
Other State Grants
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Intergovernmental revenues	\$ 101,066	\$ 12,835,305	\$ 2,098,739	\$ (10,736,566)
Interest income	-	-	389	389
Total revenues	<u>101,066</u>	<u>12,835,305</u>	<u>2,099,128</u>	<u>(10,736,177)</u>
EXPENDITURES:				
Current:				
General government	-	1,242,254	366,706	875,548
Public safety	61,452	388,674	113,078	275,596
Physical environment	-	7,229,761	75,000	7,154,761
Transportation	-	1,435,093	685,689	749,404
Human services	-	47,310	46,738	572
Culture and recreation	39,614	152,474	45,728	106,746
Capital outlay	-	4,990,811	1,932,045	3,058,766
Total expenditures	<u>101,066</u>	<u>15,486,377</u>	<u>3,264,984</u>	<u>12,221,393</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(2,651,072)</u>	<u>(1,165,856)</u>	<u>1,485,216</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,048,318	476,761	(571,557)
Net change in fund balances	<u>-</u>	<u>(1,602,754)</u>	<u>(689,095)</u>	<u>\$ 913,659</u>
Fund balances, beginning	<u>-</u>	<u>(592,043)</u>	<u>(592,043)</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ (2,194,797)</u>	<u>\$ (1,281,138)</u>	

Martin County, Florida
Nonmajor Special Revenue Funds
SHIP - State Housing Grants
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Intergovernmental revenues	\$ -	\$ -	\$ 360,476	\$ 360,476
Interest income	-	-	17,724	17,724
Miscellaneous revenues	-	-	190,333	190,333
Total revenues	-	-	568,533	568,533
EXPENDITURES:				
Current:				
Economic environment	-	1,430,256	718,278	711,978
Deficiency of revenues under expenditures	-	(1,430,256)	(149,745)	1,280,511
Net change in fund balances	-	(1,430,256)	(149,745)	<u>1,280,511</u>
Fund balances, beginning	-	1,430,526	1,430,526	
Fund balances, ending	<u>\$ -</u>	<u>\$ 270</u>	<u>\$ 1,280,781</u>	

Martin County, Florida
Nonmajor Special Revenue Funds
Local Grants

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Intergovernmental revenues	\$ 191,220	\$ 2,153,535	\$ 1,675,636	\$ (477,899)
Interest income	-	-	2,837	2,837
Total revenues	<u>191,220</u>	<u>2,153,535</u>	<u>1,678,473</u>	<u>(475,062)</u>
EXPENDITURES:				
Current:				
Public safety	191,220	547,001	288,461	258,540
Physical environment	-	-	38,839	(38,839)
Human services	-	221,980	29,550	192,430
Culture and recreation	-	641,690	325,857	315,833
Capital outlay	-	1,261,998	482,804	779,194
Total expenditures	<u>191,220</u>	<u>2,672,669</u>	<u>1,165,511</u>	<u>1,507,158</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(519,134)</u>	<u>512,962</u>	<u>1,032,096</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	250,000	-	(250,000)
Net change in fund balances	<u>-</u>	<u>(269,134)</u>	<u>512,962</u>	<u>\$ 782,096</u>
Fund balances, beginning	<u>-</u>	<u>(268,223)</u>	<u>(268,223)</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ (537,357)</u>	<u>\$ 244,739</u>	

Martin County, Florida
Nonmajor Special Revenue Funds
Other Impact Fees
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Permits, fees and special assessments	\$ 1,886,000	\$ 1,886,000	\$ 2,356,057	\$ 470,057
Interest income	3,500	3,500	110,156	106,656
Statutory budget reduction	(2,000)	(2,000)	-	2,000
Total revenues	<u>1,887,500</u>	<u>1,887,500</u>	<u>2,466,213</u>	<u>578,713</u>
EXPENDITURES:				
Current:				
General government	-	366,744	36,462	330,282
Public safety	10,000	10,000	6,714	3,286
Physical environment	-	274,592	174,923	99,669
Transportation	-	-	257	(257)
Culture and recreation	-	-	115,302	(115,302)
Capital outlay	1,061,000	5,084,681	1,545,082	3,539,599
Principal	250,000	-	-	-
Total expenditures	<u>1,321,000</u>	<u>5,736,017</u>	<u>1,878,740</u>	<u>3,857,277</u>
Excess (deficiency) of revenues over (under) expenditures	<u>566,500</u>	<u>(3,848,517)</u>	<u>587,473</u>	<u>4,435,990</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(357,000)	(857,000)	(1,139,090)	(282,090)
Reserves	(336,000)	(2,226,446)	-	2,226,446
Total other financing sources (uses)	<u>(693,000)</u>	<u>(3,083,446)</u>	<u>(1,139,090)</u>	<u>(1,944,356)</u>
Net change in fund balances	<u>(126,500)</u>	<u>(6,931,963)</u>	<u>(551,617)</u>	<u>\$ 6,380,346</u>
Fund balances, beginning	<u>126,500</u>	<u>6,931,966</u>	<u>6,931,966</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 6,380,349</u>	

Martin County, Florida
Nonmajor Special Revenue Funds
Transportation Impact Fees
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Permits, fees and special assessments	\$ 878,000	\$ 1,404,367	\$ 2,189,818	\$ 785,451
Interest income	12,000	12,000	61,677	49,677
Contributions - private sources & donations	-	213,633	333,908	120,275
Total revenues	890,000	1,630,000	2,585,403	955,403
EXPENDITURES:				
Current:				
Capital outlay	48,000	1,404,431	96,623	1,307,808
Excess of revenues over expenditures	842,000	225,569	2,488,780	2,263,211
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,985,000)	(1,985,000)	(1,985,000)	-
Reserves	(842,000)	(2,153,000)	-	2,153,000
Total other financing sources (uses)	(2,827,000)	(4,138,000)	(1,985,000)	2,153,000
Net change in fund balances	(1,985,000)	(3,912,431)	503,780	\$ 4,416,211
Fund balances, beginning	1,985,000	3,912,432	3,912,432	
Fund balances, ending	\$ -	\$ 1	\$ 4,416,212	

Martin County, Florida
Nonmajor Special Revenue Funds
Public Safety
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 8,098,534	\$ 8,098,534	\$ 8,197,845	\$ 99,311
Charges for services	790,000	790,000	865,510	75,510
Fines and forfeitures	7,000	7,000	6,378	(622)
Interest income	40,500	40,500	78,450	37,950
Miscellaneous revenues	85,000	121,000	224,314	103,314
Total revenues	<u>9,021,034</u>	<u>9,057,034</u>	<u>9,372,497</u>	<u>315,463</u>
EXPENDITURES:				
Current:				
General government	267,250	346,459	239,918	106,541
Public safety	4,078,364	4,114,364	3,815,465	298,899
Human services	4,551,841	4,554,841	3,746,085	808,756
Total expenditures	<u>8,897,455</u>	<u>9,015,664</u>	<u>7,801,468</u>	<u>1,214,196</u>
Excess of revenues over expenditures	<u>123,579</u>	<u>41,370</u>	<u>1,571,029</u>	<u>1,529,659</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	425,316	425,316	459,933	34,617
Transfers out	(708,280)	(917,876)	(658,189)	259,687
Reserves	(176,366)	(1,311,447)	-	1,311,447
Total other financing sources (uses)	<u>(459,330)</u>	<u>(1,804,007)</u>	<u>(198,256)</u>	<u>1,605,751</u>
Net change in fund balances	<u>(335,751)</u>	<u>(1,762,637)</u>	<u>1,372,773</u>	<u>\$ 3,135,410</u>
Fund balances, beginning	<u>335,751</u>	<u>1,631,240</u>	<u>1,631,240</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ (131,397)</u>	<u>\$ 3,004,013</u>	

Martin County, Florida
Nonmajor Special Revenue Funds
Judicial

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Charges for services	\$ 850,653	\$ 915,653	\$ 983,416	\$ 67,763
Interest income	12,435	12,435	11,376	(1,059)
Miscellaneous revenues	-	26,417	26,417	-
Total revenues	863,088	954,505	1,021,209	66,704
EXPENDITURES:				
Current:				
General government	1,773,141	1,894,558	1,731,109	163,449
Capital outlay	35,102	46,829	117	46,712
Total expenditures	1,808,243	1,941,387	1,731,226	210,161
Deficiency of revenues under expenditures	(945,155)	(986,882)	(710,017)	276,865
OTHER FINANCING SOURCES (USES):				
Transfers in	1,048,603	1,048,603	996,306	(52,297)
Transfers out	(306,235)	(306,235)	(306,235)	-
Reserves	(5,370)	(506,695)	-	506,695
Total other financing sources (uses)	736,998	235,673	690,071	454,398
Net change in fund balances	(208,157)	(751,209)	(19,946)	\$ 731,263
Fund balances, beginning	208,157	751,641	751,641	
Fund balances, ending	\$ -	\$ 432	\$ 731,695	

Martin County, Florida
Nonmajor Special Revenue Funds
Economic Development
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 2,764,000	\$ 2,764,000	\$ 2,751,177	\$ (12,823)
Intergovernmental revenues	-	-	6,387	6,387
Interest income	25,000	25,000	68,100	43,100
Miscellaneous revenues	-	-	394	394
Statutory budget reduction	(125,000)	(125,000)	-	125,000
Total revenues	2,664,000	2,664,000	2,826,058	162,058
EXPENDITURES:				
Current:				
General government	97,719	1,114,198	104,523	1,009,675
Physical environment	500,000	500,000	-	500,000
Economic environment	1,868,500	4,438,293	2,604,002	1,834,291
Culture and recreation	180,405	180,405	185,985	(5,580)
Capital outlay	216,876	1,018,401	215,814	802,587
Total expenditures	2,863,500	7,251,297	3,110,324	4,140,973
Deficiency of revenues under expenditures	(199,500)	(4,587,297)	(284,266)	4,303,031
OTHER FINANCING SOURCES (USES)				
Transfers in	201,000	201,000	201,000	-
Reserves	(6,500)	(44,484)	-	44,484
Total other financing sources (uses)	194,500	156,516	201,000	44,484
Net change in fund balances	(5,000)	(4,430,781)	(83,266)	\$ 4,347,515
Fund balances, beginning	5,000	4,430,783	4,430,783	
Fund balances, ending	\$ -	\$ 2	\$ 4,347,517	

Martin County, Florida
Nonmajor Special Revenue Funds
Culture and Recreation
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 5,931	\$ 5,931
EXPENDITURES:				
Current:				
General government	-	62,868	11,999	50,869
Economic environment	10,000	10,000	4,252	5,748
Culture and recreation	12,820	12,820	12,056	764
Capital outlay	-	25,000	-	25,000
Total expenditures	22,820	110,688	28,307	82,381
Deficiency of revenues under expenditures	(22,820)	(110,688)	(22,376)	88,312
OTHER FINANCING SOURCES (USES):				
Reserves	-	(321,503)	-	321,503
Net change in fund balances	(22,820)	(432,191)	(22,376)	\$ 409,815
Fund balances, beginning	22,820	432,191	432,191	
Fund balances, ending	\$ -	\$ -	\$ 409,815	

Martin County, Florida
Nonmajor Special Revenue Funds
Franchise Fees
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Permits, fees and special assessments	\$ 7,195,000	\$ 7,195,000	\$ 8,591,882	\$ 1,396,882
Interest income	150,000	150,000	252,416	102,416
Miscellaneous revenues	-	-	7,958	7,958
Total revenues	<u>7,345,000</u>	<u>7,345,000</u>	<u>8,852,256</u>	<u>1,507,256</u>
EXPENDITURES:				
Current:				
Physical environment	-	-	47,112	(47,112)
Transportation	362,000	240,442	164,901	75,541
Economic environment	-	-	4,562	(4,562)
Capital outlay	6,983,000	20,386,377	3,330,912	17,055,465
Total expenditures	<u>7,345,000</u>	<u>20,626,819</u>	<u>3,547,487</u>	<u>17,079,332</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(13,281,819)</u>	<u>5,304,769</u>	<u>18,586,588</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(130,224)	-	130,224
Net change in fund balances	<u>-</u>	<u>(13,412,043)</u>	<u>5,304,769</u>	<u>\$ 18,716,812</u>
Fund balances, beginning	<u>-</u>	<u>13,412,044</u>	<u>13,412,044</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 18,716,813</u>	

Martin County, Florida
Nonmajor Special Revenue Funds
Clerk Special Revenue
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Charges for services	\$ 363,982	\$ 363,982	\$ 487,035	\$ 123,053
EXPENDITURES:				
Current:				
General government	137,251	137,251	32,036	105,215
Excess of revenues over expenditures	226,731	226,731	454,999	228,268
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	31,676	31,676
Reserves	(1,026,731)	(1,026,731)	-	1,026,731
Net change in fund balances	(800,000)	(800,000)	486,675	\$ 1,286,675
Fund balances, beginning	800,000	591,884	591,884	
Fund balances, ending	\$ -	\$ (208,116)	\$ 1,078,559	

Martin County, Florida
Nonmajor Debt Service Funds
Revenue Bonds

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 3,126	\$ 3,126
EXPENDITURES:				
Debt service				
Principal	-	1,893,375	1,015,000	878,375
Interest	-	1,078,810	1,931,396	(852,586)
Other debt service costs	-	-	1,760	(1,760)
Total expenditures	-	2,972,185	2,948,156	24,029
Deficiency of revenues under expenditures	-	(2,972,185)	(2,945,030)	27,155
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2,972,185	2,910,530	(61,655)
Reserves	-	(784,160)	-	784,160
Net change in fund balances	-	(784,160)	(34,500)	\$ 749,660
Fund balances, beginning	-	784,161	784,161	
Fund balances, ending	\$ -	\$ 1	\$ 749,661	

Martin County, Florida
Nonmajor Debt Service Funds
Bank Notes and Loans
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Permits, fees and special assessments	\$ 219,331	\$ 219,331	\$ 188,736	\$ (30,595)
Intergovernmental revenues	\$ 2,374,170	\$ 2,374,170	\$ 2,374,170	\$ -
Interest income	20,800	20,800	133,178	112,378
Total revenues	<u>2,614,301</u>	<u>2,614,301</u>	<u>2,696,084</u>	<u>81,783</u>
EXPENDITURES:				
General government	-	4,894	1,563	3,331
Debt service				
Principal	5,955,791	5,955,791	5,927,813	27,978
Interest	1,766,720	1,766,720	1,699,564	67,156
Other debt service costs	26,243	26,243	12,180	14,063
Total expenditures	<u>7,748,754</u>	<u>7,753,648</u>	<u>7,641,120</u>	<u>112,528</u>
Deficiency of revenues under expenditures	<u>(5,134,453)</u>	<u>(5,139,347)</u>	<u>(4,945,036)</u>	<u>194,311</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	5,102,393	5,102,393	5,077,008	(25,385)
Reserves	(31,745)	(1,797,370)	-	1,797,370
Total other financing sources (uses)	<u>5,070,648</u>	<u>3,305,023</u>	<u>5,077,008</u>	<u>1,771,985</u>
Net change in fund balances	<u>(63,805)</u>	<u>(1,834,324)</u>	<u>131,972</u>	<u>\$ 1,966,296</u>
Fund balances, beginning	<u>63,805</u>	<u>1,833,250</u>	<u>1,833,250</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ (1,074)</u>	<u>\$ 1,965,222</u>	

Martin County, Florida
Major Capital Project Funds
County Buildings
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 14,975,775	\$ 14,975,775	\$ 15,164,277	\$ 188,502
Permits, fees and special assessments	160,000	160,000	142,937	(17,063)
Intergovernmental revenues	165,000	165,000	130,851	(34,149)
Fines and forfeitures	140,000	140,000	140,055	55
Interest income	150,000	150,000	1,189,669	1,039,669
Contributions - private sources & donations	-	-	1,425	1,425
Miscellaneous revenues	-	479,000	498,761	19,761
Statutory budget reduction	(19,750)	(19,750)	-	19,750
Total revenues	15,571,025	16,050,025	17,267,975	1,217,950
EXPENDITURES:				
Current:				
General government	565,863	573,663	960,675	(387,012)
Public safety	-	-	99,210	(99,210)
Physical environment	480,320	1,082,879	805,614	277,265
Transportation	1,244,517	1,995,733	538,894	1,456,839
Economic environment	-	-	139	(139)
Culture and recreation	-	-	1,131,411	(1,131,411)
Capital outlay	13,093,954	72,575,379	16,867,813	55,707,566
Debt service:				
Principal	1,373,310	1,373,310	1,403,142	(29,832)
Interest	450,816	450,816	420,980	29,836
Other debt service costs	2,000	2,000	2,520	(520)
Total expenditures	17,210,780	78,053,780	22,230,398	55,823,382
Deficiency of revenues under expenditures	(1,639,755)	(62,003,755)	(4,962,423)	57,041,332
OTHER FINANCING SOURCES (USES):				
Transfers in	1,684,126	1,684,126	1,684,126	-
Transfers out	(150,000)	(150,000)	(150,000)	-
Reserves	(8,415)	(5,575,013)	-	5,575,013
Total other financing sources (uses)	1,525,711	(4,040,887)	1,534,126	5,575,013
Net change in fund balances	(114,044)	(66,044,642)	(3,428,297)	\$ 62,616,345
Fund balances, beginning	114,044	66,044,831	66,044,831	
Fund balances, ending	\$ -	\$ 189	\$ 62,616,534	

Martin County, Florida
Nonmajor Capital Project Funds
Recreation Projects
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 5,387,965	\$ 5,387,965	\$ 5,455,984	\$ 68,019
Permits, fees and special assessments	75,000	75,000	71,468	(3,532)
Intergovernmental revenues	-	2,031,476	2,722,028	690,552
Interest income	100,000	100,000	194,989	94,989
Miscellaneous revenues	91,000	91,000	159,322	68,322
Statutory budget reduction	(2,500)	(2,500)	-	2,500
Total revenues	<u>5,651,465</u>	<u>7,682,941</u>	<u>8,603,791</u>	<u>920,850</u>
EXPENDITURES:				
Current:				
General government	52,457	51,557	51,512	45
Physical environment	5,564,249	12,281,987	2,552,457	9,729,530
Culture and recreation	-	-	1,925	(1,925)
Capital outlay	-	940,435	468,163	472,272
Total expenditures	<u>5,616,706</u>	<u>13,273,979</u>	<u>3,074,057</u>	<u>10,199,922</u>
Excess (deficiency) of revenues over (under) expenditures	<u>34,759</u>	<u>(5,591,038)</u>	<u>5,529,734</u>	<u>11,120,772</u>
OTHER FINANCING SOURCES (USES):				
Reserves	(105,615)	(3,546,923)	-	3,546,923
Net change in fund balances	<u>(70,856)</u>	<u>(9,137,961)</u>	<u>5,529,734</u>	<u>\$ 14,667,695</u>
Fund balances, beginning	<u>70,856</u>	<u>9,137,962</u>	<u>9,137,962</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 14,667,696</u>	

Martin County, Florida
Nonmajor Capital Project Funds
Transportation Road Projects
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 8,124,300	\$ 7,829,409	\$ 7,890,500	\$ 61,091
Permits, fees and special assessments	390,000	390,000	614,672	224,672
Intergovernmental revenues	2,805,000	2,805,000	2,754,336	(50,664)
Charges for services	677,364	677,364	691,507	14,143
Interest income	125,000	125,000	234,584	109,584
Contributions - private sources & donations	27,742	27,742	35,000	7,258
Miscellaneous revenues	160,000	160,000	263,231	103,231
Statutory budget reduction	(166,120)	(166,120)	-	166,120
Total revenues	12,143,286	11,848,395	12,483,830	635,435
EXPENDITURES:				
Current:				
General government	162,301	159,666	138,078	21,588
Transportation	8,869,298	10,332,259	8,766,981	1,565,278
Economic environment	-	17,712	36,210	(18,498)
Capital outlay	1,188,519	8,877,592	4,568,667	4,308,925
Debt service				
Principal	198,145	-	-	-
Total expenditures	10,418,263	19,387,229	13,509,936	5,877,293
Excess (deficiency) of revenues over (under) expenditures	1,725,023	(7,538,834)	(1,026,106)	6,512,728
OTHER FINANCING SOURCES (USES):				
Transfers out	(515,000)	(729,115)	(723,559)	5,556
Reserves	(1,628,255)	(6,907,385)	-	6,907,385
Total other financing sources (uses)	(2,143,255)	(7,636,500)	(723,559)	6,912,941
Net change in fund balances	(418,232)	(15,175,334)	(1,749,665)	\$ 13,425,669
Fund balances, beginning	418,232	15,845,219	15,845,219	
Fund balances, ending	\$ -	\$ 669,885	\$ 14,095,554	

Martin County, Florida
Nonmajor Capital Project Funds
Other Capital Projects
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 7,324	\$ 7,324
EXPENDITURES:				
Current:				
Capital outlay	16,771	595,974	507,423	(88,551)
Total expenditures	16,771	595,974	507,423	(88,551)
Excess (deficiency) of revenues over (under) expenditures	(16,771)	(595,974)	(500,099)	95,875
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(95,876)	(95,876)
Net change in fund balances	(16,771)	(595,974)	(595,975)	\$ (1)
Fund balances, beginning	16,771	595,975	595,975	
Fund balances, ending	\$ -	\$ 1	\$ -	



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INTERNAL SERVICE FUNDS
COMBINING STATEMENTS

Martin County, Florida
Internal Service Funds
Combining Statement of Net Position
September 30, 2020

	Self-Insurance	Vehicle Maintenance	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 7,833,423	\$ 281,341	\$ 8,114,764
Restricted cash	393,500	-	393,500
Investments	6,280,436	2,302,025	8,582,461
Accounts receivable	959,767	18,122	977,889
Due from other funds	375,165	12,419	387,584
Due from other governmental agencies	-	795	795
Inventories	-	122,151	122,151
Prepaid items	4,000	-	4,000
Total current assets	15,846,291	2,736,853	18,583,144
Noncurrent assets:			
Equipment	21,267	4,791,082	4,812,349
Less accumulated depreciation	(5,317)	(3,662,587)	(3,667,904)
Capital assets, net	15,950	1,128,495	1,144,445
Total assets	15,862,241	3,865,348	19,727,589
LIABILITIES			
Current liabilities:			
Accounts payable and accrued claims	3,202,350	103,548	3,305,898
Accrued wages payable	-	27,136	27,136
Due to other funds	1,582,943	-	1,582,943
Accrued compensated absences, current	-	43,000	43,000
Total current liabilities	4,785,293	173,684	4,958,977
Noncurrent liabilities:			
Accrued compensated absences	-	15,549	15,549
Total liabilities	4,785,293	189,233	4,974,526
NET POSITION			
Net investment in capital assets	15,950	1,128,495	1,144,445
Unrestricted	11,060,998	2,547,620	13,608,618
Total net position	\$ 11,076,948	\$ 3,676,115	\$ 14,753,063

Martin County, Florida
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2020

	<u>Self-Insurance</u>	<u>Vehicle Maintenance</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 35,676,498	\$ 1,588,271	\$ 37,264,769
Miscellaneous revenues	3,927,320	500	3,927,820
Total operating revenues	<u>39,603,818</u>	<u>1,588,771</u>	<u>41,192,589</u>
OPERATING EXPENSES			
Salaries and related expenses	-	606,034	606,034
General and administrative and claims	42,021,257	467,763	42,489,020
Depreciation and amortization	5,317	527,384	532,701
Total operating expenses	<u>42,026,574</u>	<u>1,601,181</u>	<u>43,627,755</u>
Operating income (loss)	<u>(2,422,756)</u>	<u>(12,410)</u>	<u>(2,435,166)</u>
NONOPERATING REVENUES			
Interest income	101,240	38,617	139,857
Gain on disposition of capital assets	-	152,337	152,337
Total net nonoperating revenues	<u>101,240</u>	<u>190,954</u>	<u>292,194</u>
Capital contributions	-	8,830	8,830
Transfers in	<u>1,600,000</u>	<u>-</u>	<u>1,600,000</u>
Change in net position	(721,516)	187,374	(534,142)
Total net position - beginning	<u>11,798,464</u>	<u>3,488,741</u>	<u>15,287,205</u>
Total net position - ending	<u>\$ 11,076,948</u>	<u>\$ 3,676,115</u>	<u>\$ 14,753,063</u>

Martin County, Florida
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended September 30, 2020

	<u>Self-Insurance</u>	<u>Vehicle Maintenance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 37,153,741	\$ 1,615,626	\$ 38,769,367
Other receipts	3,927,320	500	3,927,820
Payments for salaries and benefits	-	(590,367)	(590,367)
Payments to suppliers	(41,834,853)	(508,908)	(42,343,761)
Net cash provided (used) by operating activities	<u>(753,792)</u>	<u>516,851</u>	<u>(236,941)</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:			
Transfers from other funds	<u>1,600,000</u>	<u>-</u>	<u>1,600,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital contributions	-	8,830	8,830
Purchases of capital assets	(21,267)	(525,593)	(546,860)
Proceeds from sale of assets	-	152,337	152,337
Net cash provided (used) for capital and related financing activities	<u>(21,267)</u>	<u>(364,426)</u>	<u>(385,693)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and gain (loss) on investments	(3,550,756)	(171,804)	(3,722,560)
Interest received	101,240	38,617	139,857
Net cash provided (used) in investing activities	<u>(3,449,516)</u>	<u>(133,187)</u>	<u>(3,582,703)</u>
Net change in cash and cash equivalents	(2,624,575)	19,238	(2,605,337)
Cash and cash equivalents - beginning of year	10,851,498	262,103	11,113,601
Cash and cash equivalents - end of year	<u>\$ 8,226,923</u>	<u>\$ 281,341</u>	<u>\$ 8,508,264</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (2,422,756)	\$ (12,410)	\$ (2,435,166)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation and amortization	5,317	527,384	532,701
Changes in assets and liabilities:			
Accounts receivable, net	(51,880)	27,393	(24,487)
Due from other funds	1,529,123	(38)	1,529,085
Inventories	-	29,103	29,103
Accounts payable	186,404	(70,248)	116,156
Accrued wages	-	5,070	5,070
Accrued compensated absences	-	10,597	10,597
Net cash provided (used) by operating activities	<u>\$ (753,792)</u>	<u>\$ 516,851</u>	<u>\$ (236,941)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Contributions of capital assets	\$ -	\$ 8,830	\$ 8,830

COMBINING STATEMENTS OF
FIDUCIARY NET POSITION

Martin County, Florida
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
September 30, 2020

	Private Purpose Trust		
	D Slosberg Driver		
	Annie Meyers Trust Fund	Education Trust	Total
ASSETS			
Cash and cash equivalents	\$ 7,033	\$ 28,368	\$ 35,401
Investments	422,142	6,250	428,392
Total assets	429,175	34,618	463,793
LIABILITIES			
NET POSITION			
Held in trust	\$ 429,175	\$ 34,618	\$ 463,793

Martin County, Florida
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Year Ended September 30, 2020

	Private Purpose Trust		
	D Slosberg Driver		
	Annie Meyers Trust Fund	Education Trust	Total
ADDITIONS:			
Fines and forfeitures	\$ -	\$ 71,421	\$ 71,421
Interest income	7,050	200	7,250
Total additions	7,050	71,621	78,671
DEDUCTIONS:			
Human services	-	64,710	64,710
Change in net position	7,050	6,911	13,961
Net position - beginning	422,125	27,707	449,832
Net position - ending	<u>\$ 429,175</u>	<u>\$ 34,618</u>	<u>\$ 463,793</u>

Martin County, Florida
Combining Statement of Fiduciary Net Position
Agency Funds
As of September 30, 2020

	Agency Funds				
	Board of County Commissioners	Clerk of the Circuit Court	Sheriff	Tax Collector	Total
ASSETS					
Cash and cash equivalents	\$ 639,856	\$ 4,065,292	\$ 557,714	\$ 4,340,931	\$ 9,603,793
Investments	808,795	183,334	-	-	992,129
Accounts receivable	-	-	-	360,219	360,219
Total assets	\$ 1,448,651	\$ 4,248,626	\$ 557,714	\$ 4,701,150	\$ 10,956,141
LIABILITIES					
Accounts payable	\$ 314,816	\$ -	\$ -	\$ -	\$ 314,816
Due to other governmental agencies	37,369	364,259	-	4,701,150	5,102,778
Deposits from individuals and corporations	1,096,466	3,884,367	557,714	-	5,538,547
Total liabilities	\$ 1,448,651	\$ 4,248,626	\$ 557,714	\$ 4,701,150	\$ 10,956,141

STATEMENTS OF CHANGES IN ASSETS
AND LIABILITIES ~ AGENCY FUNDS

Martin County, Florida
Statements of Changes in Assets and Liabilities - Agency Funds
For the Year Ended September 30, 2020

Board of County Commissioners	Balance 10/1/2019	Additions	Deletions	Balance 9/30/2020
ASSETS				
Cash and cash equivalents	\$ 280,293	\$ 2,552,760	\$ 2,193,197	\$ 639,856
Investments	808,795	-	-	808,795
Total assets	<u>1,089,088</u>	<u>2,552,760</u>	<u>2,193,197</u>	<u>1,448,651</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 5,584	\$ 2,366,510	\$ 2,057,278	\$ 314,816
Due to other governmental agencies	177,873	1,987,209	2,127,713	37,369
Deposits	905,631	616,391	425,556	1,096,466
Total liabilities	<u>\$ 1,089,088</u>	<u>\$ 4,970,110</u>	<u>\$ 4,610,547</u>	<u>\$ 1,448,651</u>
Clerk of the Circuit Court	Balance 10/1/2019	Additions	Deletions	Balance 9/30/2020
ASSETS				
Cash and cash equivalents	\$ 4,295,151	\$ 42,785,352	\$ 43,015,211	\$ 4,065,292
Investments	243,334	-	60,000	183,334
Total assets	<u>\$ 4,538,485</u>	<u>\$ 42,785,352</u>	<u>\$ 43,075,211</u>	<u>\$ 4,248,626</u>
LIABILITIES				
Due to other governmental agencies	550,238	34,917,818	35,103,797	364,259
Deposits	3,988,247	10,910,684	11,014,564	3,884,367
Total liabilities	<u>\$ 4,538,485</u>	<u>\$ 52,606,622</u>	<u>\$ 52,896,481</u>	<u>\$ 4,248,626</u>
Sheriff	Balance 10/1/2019	Additions	Deletions	Balance 9/30/2020
ASSETS				
Cash and cash equivalents	\$ 628,882	\$ 1,625,128	\$ 1,696,296	\$ 557,714
LIABILITIES				
Deposits	<u>\$ 628,882</u>	<u>\$ 1,625,128</u>	<u>\$ 1,696,296</u>	<u>\$ 557,714</u>

Martin County, Florida
Statements of Changes in Assets and Liabilities - Agency Funds
For the Year Ended September 30, 2020

Tax Collector	Balance 10/1/2019	Additions	Deletions	Balance 9/30/2020
ASSETS				
Cash and cash equivalents	\$ 3,892,116	\$ 527,725,580	\$ 527,276,765	\$ 4,340,931
Accounts receivable	\$ 232,113	\$ 76,926,932	\$ 76,798,826	\$ 360,219
Total assets	<u>\$ 4,124,229</u>	<u>\$ 604,652,512</u>	<u>\$ 604,075,591</u>	<u>\$ 4,701,150</u>
LIABILITIES				
Due to other governmental agencies	<u>\$ 4,124,229</u>	<u>\$ 604,652,512</u>	<u>\$ 604,075,591</u>	<u>\$ 4,701,150</u>
All Agency Funds	Balance 10/1/2019	Additions	Deletions	Balance 9/30/2020
ASSETS				
Cash and cash equivalents	\$ 9,096,442	\$ 574,688,820	\$ 574,181,469	\$ 9,603,793
Investments	1,052,129	-	60,000	992,129
Accounts Receivable	232,113	76,926,932	76,798,826	360,219
Total assets	<u>\$ 10,380,684</u>	<u>\$ 651,615,752</u>	<u>\$ 651,040,295</u>	<u>\$ 10,956,141</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 5,584	\$ 9,144,630	\$ 8,835,398	\$ 314,816
Due to other governmental agencies	4,852,340	641,557,539	641,307,101	5,102,778
Deposits	5,522,760	13,152,203	13,136,416	5,538,547
Total liabilities	<u>\$ 10,380,684</u>	<u>\$ 663,854,372</u>	<u>\$ 663,278,915</u>	<u>\$ 10,956,141</u>



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Martin County, Florida
For the Year Ended September 30, 2020

STATISTICAL SECTION

TABLE OF CONTENTS

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

	<u>Page</u>
Financial Trends	151
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time	
Revenue Capacity	163
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	
Debt Capacity	171
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
Demographic and Economic Information	179
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
Operating Information	181
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

Martin County, Florida
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2011	2012	2013	2014
Governmental activities:				
Net investment in capital assets	\$ 443,867,274	\$ 455,689,546	\$ 468,253,663	\$ 573,142,960
Restricted	64,668,738	49,233,278	40,952,468	30,472,560
Unrestricted (deficit)	<u>10,307,726</u>	<u>9,402,189</u>	<u>2,474,994</u>	<u>(105,372,339)</u>
Total governmental activities net position	<u>518,843,738</u>	<u>514,325,013</u>	<u>511,681,125</u>	<u>498,243,181</u>
Business-type activities:				
Net investment in capital assets	187,939,987	189,187,557	189,663,805	199,404,782
Restricted	17,339,739	15,410,319	17,329,053	17,165,609
Unrestricted	<u>30,780,359</u>	<u>35,970,624</u>	<u>37,742,716</u>	<u>29,092,899</u>
Total business-type activities net position	<u>236,060,085</u>	<u>240,568,500</u>	<u>244,735,574</u>	<u>245,663,290</u>
Primary government:				
Net investment in capital assets	631,807,261	644,877,103	657,917,468	772,547,742
Restricted	82,008,477	64,643,597	58,281,521	47,638,169
Unrestricted (deficit)	<u>41,088,085</u>	<u>45,372,813</u>	<u>40,217,710</u>	<u>(76,279,440)</u>
Total primary government net position	<u>\$ 754,903,823</u>	<u>\$ 754,893,513</u>	<u>\$ 756,416,699</u> ¹	<u>\$ 743,906,471</u> ²

Note: For the fiscal years 2011-2012, the Martin County Community Redevelopment Agency (CRA) was reported as a discretely presented component unit and is not included in this schedule. For the remaining fiscal years, it is included in this schedule as a blended component unit. More information about the CRA can be found in the notes to the financial statements.

¹ A restatement of Net Position was required for fiscal year 2013 due to the implementation of GASB Statement 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 specifically addresses the calculation of a deferred outflow or inflow for the refunding of debt and requires that debt issuance costs be expensed in the period in which the debt is issued.

² A restatement of Net Position was required for fiscal year 2014 due to the implementation of GASB Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

³ A restatement of Net Position was required for fiscal year 2017 due to the implementation of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and to correct an overstatement in the Airport.

(Unaudited)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 574,409,202	\$ 582,985,255	\$ 588,757,447	\$ 578,846,232	\$ 601,338,623	\$ 620,193,915
30,976,073	17,081,598	30,094,214	27,618,666	78,089,370	79,601,114
<u>(97,297,239)</u>	<u>(80,670,842)</u>	<u>(193,307,105)</u>	<u>(155,874,479)</u>	<u>(224,977,889)</u>	<u>(240,130,846)</u>
<u>508,088,036</u>	<u>519,396,011</u>	<u>425,544,556</u>	<u>450,590,419</u>	<u>454,450,104</u>	<u>459,664,183</u>
207,660,423	213,980,503	215,089,431	222,075,194	230,986,721	234,840,965
16,186,585	18,433,671	21,832,218	23,922,630	24,696,371	22,642,275
<u>29,812,548</u>	<u>29,015,710</u>	<u>34,053,862</u>	<u>35,987,367</u>	<u>43,574,404</u>	<u>48,197,642</u>
<u>253,659,556</u>	<u>261,429,884</u>	<u>270,975,511</u>	<u>281,985,191</u>	<u>299,257,496</u>	<u>305,680,882</u>
782,069,625	796,965,758	803,846,878	800,921,426	832,325,344	855,034,880
47,162,658	35,515,269	51,926,432	51,541,296	102,785,741	102,243,389
<u>(67,484,691)</u>	<u>(51,655,132)</u>	<u>(159,253,243)</u>	<u>(119,887,112)</u>	<u>(181,403,485)</u>	<u>(191,933,204)</u>
<u>\$ 761,747,592</u>	<u>\$ 780,825,895</u>	<u>\$ 696,520,067</u> ³	<u>\$ 732,575,610</u>	<u>\$ 753,707,600</u>	<u>\$ 765,345,065</u>

Martin County, Florida
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2011	2012	2013	2014
EXPENSES				
Governmental activities:				
General government	\$ 54,489,193	\$ 55,797,878	\$ 53,243,618	\$ 55,399,076
Public safety	108,996,520	104,159,303	106,614,868	110,538,801
Physical environment	10,327,845	23,977,349 ⁴	8,293,187	12,681,511
Transportation	17,535,762	18,182,000	17,402,883	19,847,299
Economic environment	6,674,344	5,057,207	3,454,795	2,241,285
Human services	5,905,930	6,647,376	5,742,721	6,480,653
Culture and recreation	12,742,588	15,770,474	15,097,211	15,905,736
Interest and fiscal charges on long-term debt	3,531,028	3,577,768	3,476,236 ⁵	2,714,578
Total governmental activities expenses	<u>220,203,210</u>	<u>233,169,355</u>	<u>213,325,519</u>	<u>225,808,939</u>
Business-type activities:				
Water	16,903,345	16,603,897	16,405,476 ⁵	16,536,794
Sewer	13,277,709	13,581,633	13,485,814	13,530,843
Solid waste	15,861,973	16,956,387	18,067,481	18,953,186
Airport	3,683,694	2,761,332	3,090,273	2,639,790
Golf Course	-	-	-	-
Total business-type activities expenses	<u>49,726,721</u>	<u>49,903,249</u>	<u>51,049,044</u>	<u>51,660,613</u>
Total primary government expenses	<u>269,929,931</u>	<u>283,072,604</u>	<u>264,374,563</u>	<u>277,469,552</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
General government	10,903,520	13,513,244	15,605,608	15,873,094
Public safety	7,326,092	7,619,775	8,278,237	8,605,980
Transportation	983,698	1,400,437	1,760,747	1,703,188
Other functions	1,567,683	2,734,700	2,776,286	2,594,932
Operating grants and contributions	23,947,900	20,574,927	13,608,735	12,680,230
Capital grants and contributions	6,814,476	3,878,355	4,745,994	5,889,876
Total governmental activities program revenues	<u>51,543,369</u>	<u>49,721,438</u>	<u>46,775,607</u>	<u>47,347,300</u>
Business-type activities:				
Charges for services:				
Water	15,766,854	15,464,604	15,510,118	16,389,530
Sewer	12,388,242	12,652,858	12,690,097	13,409,616
Solid waste	17,340,000	18,052,982	18,722,135	19,521,540
Airport	1,430,592	1,419,352	1,472,235	1,507,636
Golf course	-	-	-	-
Operating grants and contributions	2,463,727	2,094,671	913,661	421,894
Capital grants and contributions	13,541,422	1,881,065	4,429,938	2,577,450
Total business-type activities program revenues	<u>62,930,837</u>	<u>51,565,532</u>	<u>53,738,184</u>	<u>53,827,666</u>
Total primary government program revenues	<u>114,474,206</u>	<u>101,286,970</u>	<u>100,513,791</u>	<u>101,174,966</u>
NET (EXPENSE)/REVENUE				
Governmental activities	(168,659,841)	(183,447,917)	(166,549,912)	(178,461,639)
Business-type activities	13,204,116	1,662,283	2,689,140	2,167,053
Total primary government net expense	<u>\$ (155,455,725)</u>	<u>\$ (181,785,634)</u>	<u>\$ (163,860,772)</u>	<u>\$ (176,294,586)</u>

(Unaudited)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 54,161,287	\$ 60,130,281	\$ 81,825,734	\$ 72,222,820	\$ 76,708,159	\$ 79,135,836
107,481,640	122,869,345	131,938,152	122,941,121	154,948,452	169,589,316
11,751,153	18,707,158	13,526,213	12,611,453	17,690,501	11,060,466
20,620,634	26,668,080	28,034,919	25,588,350	27,226,015	28,414,094
2,398,875	2,762,139	3,117,596	3,248,157	4,059,861	5,405,614
7,023,863	5,477,529	6,736,303	7,886,328	7,889,435	6,810,278
15,396,102	19,164,676	18,380,784	18,885,864	20,964,724	20,177,931
3,230,145	630,743	1,616,733	2,608,387	2,989,916	3,857,091
<u>222,063,699</u>	<u>256,409,951</u>	<u>285,176,434</u>	<u>265,992,480</u>	<u>312,477,063</u>	<u>324,450,626</u>
16,850,339	18,001,230	18,107,855	18,418,508	17,832,021	20,783,312
13,786,910	14,727,068	14,904,946	15,067,538	14,587,226	17,002,334
19,119,647	20,215,746	20,127,005	22,071,898	22,236,926	24,059,828
2,809,151	2,550,230	2,867,089	2,855,588	3,478,010	3,980,649
<u>2,359,326</u>	<u>2,155,843</u>	<u>2,101,181</u>	<u>2,241,544</u>	<u>2,049,446</u>	<u>1,946,739</u>
<u>54,925,373</u>	<u>57,650,117</u>	<u>58,108,076</u>	<u>60,655,076</u>	<u>60,183,629</u>	<u>67,772,862</u>
<u>276,989,072</u>	<u>314,060,068</u>	<u>343,284,510</u>	<u>326,647,556</u>	<u>372,660,692</u>	<u>392,223,488</u>
19,683,175	18,880,214	19,691,748	21,959,446	21,216,292	16,486,527
9,640,170	10,745,708	10,758,372	11,453,571	15,071,983	14,724,266
2,004,028	8,839,752	10,904,523	11,597,968	13,938,681	12,119,256
3,042,410	3,077,146	2,831,719	3,430,711	3,992,216	2,795,721
13,422,146	22,469,288	17,742,156	18,071,188	14,985,006	23,916,661
5,605,898	8,272,209	5,967,672	6,929,695	8,821,957	12,076,458
<u>53,397,827</u>	<u>72,284,317</u>	<u>67,896,190</u>	<u>73,442,579</u>	<u>78,026,135</u>	<u>82,118,889</u>
17,005,577	17,303,188	18,217,161	17,908,528	18,978,060	19,511,132
13,913,653	14,157,153	14,904,949	14,652,432	15,527,504	15,963,653
20,540,252	21,506,398	21,862,075	23,033,917	22,846,245	22,996,139
1,779,790	1,481,705	1,576,098	1,790,287	2,055,359	2,322,456
1,318,018	1,567,205	1,360,820	1,242,475	1,155,034	415,710
201,730	332,825	200,619	698,657	434,240	58,136
<u>2,153,427</u>	<u>5,905,610</u>	<u>8,303,835</u>	<u>7,994,611</u>	<u>11,383,405</u>	<u>7,803,941</u>
<u>56,912,447</u>	<u>62,254,084</u>	<u>66,425,557</u>	<u>67,320,907</u>	<u>72,379,847</u>	<u>69,071,167</u>
<u>110,310,274</u>	<u>134,538,401</u>	<u>134,321,747</u>	<u>140,763,486</u>	<u>150,405,982</u>	<u>151,190,056</u>
(168,665,872)	(184,125,634)	(217,280,244)	(192,549,901)	(234,450,928)	(242,331,737)
1,987,074	4,603,967	8,317,481	6,665,831	12,196,218	1,298,305
<u>\$ (166,678,798)</u>	<u>\$ (179,521,667)</u>	<u>\$ (208,962,763)</u>	<u>\$ (185,884,070)</u>	<u>\$ (222,254,710)</u>	<u>\$ (241,033,432)</u>

Martin County, Florida
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(continued)

(Unaudited)

	Fiscal Year			
	2011	2012	2013	2014
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS				
Governmental activities:				
Taxes:				
Property taxes, levied for general purposes	\$ 131,215,576	\$ 132,500,321	\$ 130,297,554	\$ 136,804,070
Property taxes, levied for debt service	1,396,307	609,362	1,146,599	1,101,738
Sales tax	30,000,477	23,211,338	21,300,473	22,882,296
Communications taxes & other taxes	2,331,023	2,317,692	2,328,905	2,199,535
Contributions not restricted to specific programs	3,771,423	3,954,325	4,144,662	4,396,688
Investment earnings	1,024,530	1,408,545	343,003	916,374
Miscellaneous	7,378,397	7,837,096	4,535,942	3,915,548
Special item - capital contribution Veterans Memorial Bridge	-	-	-	97,693,027
Restatement	-	-	(241,114) ⁵	(104,935,581) ⁶
Transfers	50,000	50,000	50,000	50,000
Total governmental activities	<u>177,167,733</u>	<u>171,888,679</u>	<u>163,906,024</u>	<u>165,023,695</u>
Business-type activities:				
Investment earnings	874,924	1,133,568	569,429	906,800
Miscellaneous	1,496,034	1,762,564	1,702,127	1,791,371
Restatement	-	-	(743,622) ⁵	(3,887,508) ⁶
Transfers	(50,000)	(50,000)	(50,000)	(50,000)
Total business-type activities	<u>2,320,958</u>	<u>2,846,132</u>	<u>1,477,934</u>	<u>(1,239,337)</u>
Total primary government	<u>179,488,691</u>	<u>174,734,811</u>	<u>165,383,958</u>	<u>163,784,358</u>
CHANGES IN NET POSITION				
Governmental activities	8,507,892	(11,559,238)	(2,643,888)	(13,437,944)
Business-type activities	15,525,074	4,508,415	4,167,074	927,716
Total primary government	<u>\$ 24,032,966</u>	<u>\$ (7,050,823)</u>	<u>\$ 1,523,186</u>	<u>\$ (12,510,228)</u>

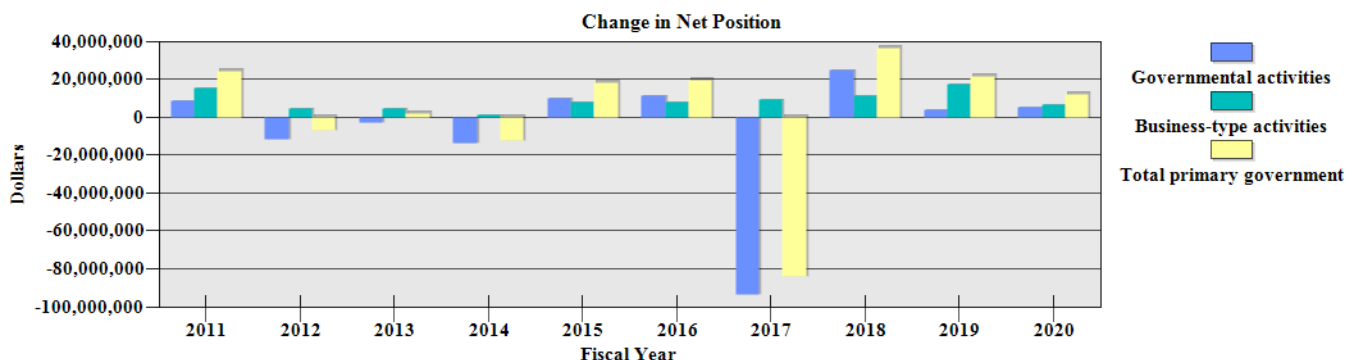
Note: For the fiscal years 2011-2012, the Martin County Community Redevelopment Agency (CRA) was reported as a discretely presented component unit and is not included in this schedule. For the remaining fiscal years, it is included in this schedule as a blended component unit. More information about the CRA can be found in the notes to the financial statements.

⁴ This 2012 expenditure increased as compared to 2011 due to two major coastal management projects: St. Lucie Inlet dredging and Hutchinson Island beach renourishment.

⁵ A restatement of Net Position was required for fiscal year 2013 due to the implementation of GASB Statement 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 specifically addresses the calculation of a deferred outflow or inflow for the refunding of debt and requires that debt issuance costs be expensed in the period in which the debt is issued.

⁶ A restatement of Net Position was required for fiscal year 2014 due to the implementation of GASB Statement 68, *Accounting and Financial Reporting for Pensions - Amendment of GASB Statement 27*.

⁷ A restatement of Net Position was required for fiscal year 2017 due to the implementation of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and to correct an overstatement in the Airport.



(Unaudited)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 143,978,913	\$ 153,708,854	\$ 163,537,265	\$ 177,654,874	\$ 188,544,685	\$ 206,468,520
309,294	-	-	-	-	-
24,290,190	25,216,906	26,453,707	27,201,598	26,718,241	26,360,535
2,167,514	2,080,831	2,028,122	2,022,644	1,841,005	1,754,554
4,729,451	4,858,369	5,045,489	5,112,842	5,406,243	5,102,288
1,345,004	1,015,589	1,627,547	3,056,643	5,946,573	4,610,976
4,625,758	9,004,747	4,591,058	3,237,554	10,360,764	4,385,411
-	-	-	-	-	-
-	-	(78,071,499) ⁷	-	-	-
(2,935,397)	(451,687)	(1,782,900)	(690,392)	(506,897)	(1,136,468)
<u>178,510,727</u>	<u>195,433,609</u>	<u>123,428,789</u>	<u>217,595,763</u>	<u>238,310,614</u>	<u>247,545,816</u>
1,345,849	1,000,223	1,257,963	1,802,142	2,701,675	2,047,743
1,727,946	1,714,451	1,771,328	1,851,316	1,867,515	1,940,870
-	-	(3,584,045) ⁷	-	-	-
2,935,397	451,687	1,782,900	690,391	506,897	1,136,468
<u>6,009,192</u>	<u>3,166,361</u>	<u>1,228,146</u>	<u>4,343,849</u>	<u>5,076,087</u>	<u>5,125,081</u>
<u>184,519,919</u>	<u>198,599,970</u>	<u>124,656,935</u>	<u>221,939,612</u>	<u>243,386,701</u>	<u>252,670,897</u>
9,844,855	11,307,975	(93,851,455)	25,045,862	3,859,686	5,214,079
7,996,266	7,770,328	9,545,627	11,009,680	17,272,305	6,423,386
<u>\$ 17,841,121</u>	<u>\$ 19,078,303</u>	<u>\$ (84,305,828)</u>	<u>\$ 36,055,542</u>	<u>\$ 21,131,991</u>	<u>\$ 11,637,465</u>

Martin County, Florida
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2011	2012	2013	2014
General Fund				
Nonspendable	\$ 510,966	\$ 468,101	\$ 487,906	\$ 454,920
Restricted	1,155,361	407,643	474,494	-
Committed	-	-	6,806,550	10,235,000
Assigned	3,080,139	7,253,835	11,182,066	12,669,348
Unassigned	20,967,381	23,441,718	15,562,101	6,588,539
Total General Fund	<u>25,713,847</u>	<u>31,571,297</u>	<u>34,513,117</u>	<u>29,947,807</u>
Other governmental funds				
Nonspendable	770,562	910,654	1,048,548	1,076,965
Restricted	63,491,144	49,297,487	42,614,298	34,284,595
Committed	21,961,200	21,813,488	26,371,572	29,004,083
Assigned	13,200,924	9,100,076	7,665,601	8,663,092
Unassigned	(65,119)	(3,147,482)	(2,521,473)	(200,962)
Total other governmental funds	<u>\$ 99,358,711</u>	<u>\$ 77,974,223</u>	<u>\$ 75,178,546</u>	<u>\$ 72,827,773</u>

Note: For the fiscal years 2011-2012, the Martin County Community Redevelopment Agency (CRA) was reported as a discretely presented component unit and is not included in this schedule. For the remaining fiscal years, it is included in this schedule as a blended component unit. More information about the CRA can be found in the notes to the financial statements.

(Unaudited)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 503,070	\$ 697,679	\$ 691,690	\$ 1,009,653	\$ 428,595	\$ 495,476
589,757	291,012	255,066	250,956	532,242	866,204
10,000,000	12,118,821	-	-	-	-
13,670,207	14,967,267	14,248,233	16,035,534	12,582,102	12,518,556
10,274,088	5,383,561	5,071,422	9,469,569	20,518,225	29,752,682
<u>35,037,122</u>	<u>33,458,340</u>	<u>20,266,411</u>	<u>26,765,712</u>	<u>34,061,164</u>	<u>43,632,918</u>
1,215,170	1,542,426	1,439,591	1,376,801	1,467,422	1,510,207
34,156,092	34,047,005	34,298,141	31,356,087	79,694,247	78,829,081
28,408,166	38,516,691	42,188,800	47,763,475	58,225,295	69,735,364
9,115,052	13,180,233	24,678,083	43,491,061	34,752,162	38,803,893
-	(18,020)	(2,911,597)	(688,331)	(1,872,251)	(3,743,228)
<u>\$ 72,894,480</u>	<u>\$ 87,268,335</u>	<u>\$ 99,693,018</u>	<u>\$ 123,299,093</u>	<u>\$ 172,266,875</u>	<u>\$ 185,135,317</u>

Martin County, Florida
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year				
	2011	2012	2013	2014	2015
REVENUES					
Taxes	\$ 153,604,744	\$ 146,768,325	\$ 142,650,026	\$ 149,431,010	\$ 156,330,631
Permits, fees and special assessments	4,802,905	6,084,551	7,506,700	6,883,045	9,043,602
Intergovernmental revenues	42,967,226	36,101,362	36,779,968	33,299,908	33,570,648
Charges for services	14,850,490	18,114,380	19,786,540	19,194,095	20,888,270
Fines and forfeitures	1,001,316	822,121	1,311,788	2,341,530	2,610,061
Interest income	1,023,403	1,407,366	342,889	916,263	1,362,176
Contributions - private sources & donations	-	-	-	-	-
Miscellaneous revenues	7,371,038	7,829,516	6,898,033	3,914,591	7,597,938
Total revenues	<u>225,621,122</u>	<u>217,127,621</u>	<u>215,275,944</u>	<u>215,980,442</u>	<u>231,403,326</u>
EXPENDITURES					
General government	47,569,378	46,900,656	50,476,673	48,900,686	49,976,819
Public safety	99,651,261	95,184,470	98,112,617	100,265,309	105,551,237
Physical environment	9,548,173	22,999,230	7,092,983	11,152,784	6,104,090
Transportation	10,874,026	11,054,537	10,087,197	10,887,161	10,774,798
Economic environment	6,674,344	5,057,207	3,549,055	2,204,224	2,536,617
Human services	5,830,267	6,580,066	5,508,726	6,326,816	5,986,228
Culture and recreation	8,847,619	11,072,093	11,895,764	10,972,175	13,246,401
Capital outlay	41,581,165	23,702,305	21,137,219	20,110,653	21,952,027
DEBT SERVICE:					
Principal	9,520,629	9,378,310	15,640,032	9,887,976	10,278,846
Interest	3,366,865	3,446,153	3,154,499	2,586,495	2,226,584
Other debt service costs	109,650	70,234	133,172	16,639	111,804
Total expenditures	<u>243,573,377</u>	<u>235,445,261</u>	<u>226,787,937</u>	<u>223,310,918</u>	<u>228,745,451</u>
Excess (deficiency) of revenues	(17,952,255)	(18,317,640)	(11,511,993)	(7,330,476)	2,657,875
OTHER FINANCING SOURCES (USES)					
Issuance of debt	9,044,553	2,740,602	4,124,148	-	-
Issuance of debt	8,318,628	-	1,320,893	644,885	2,688,885
Refunding bond proceeds	-	-	-	-	23,135,000
Payment to refunded bond escrow agent	-	-	-	-	(22,779,999)
Transfers in	21,411,745	17,061,493	13,500,594	10,037,170	12,701,960
Transfers out	(24,111,745)	(17,011,493)	(13,450,594)	(9,987,170)	(13,528,190)
Total other financing sources (uses)	<u>14,663,181</u>	<u>2,790,602</u>	<u>5,495,041</u>	<u>694,885</u>	<u>2,217,656</u>
Net changes in fund balances	<u>\$ (3,289,074)</u>	<u>\$ (15,527,038)</u>	<u>\$ (6,016,952)</u>	<u>\$ (6,635,591)</u>	<u>\$ 4,875,531</u>
Debt service as a percentage of noncapital expenditures ⁸	6.38 %	6.06 %	9.14 %	6.14 %	6.05 %
Debt service as a percentage of total expenditures	5.34 %	5.48 %	8.35 %	5.59 %	5.52 %
Capital outlay as a percentage of total expenditures	17.07 %	10.07 %	9.32 %	9.01 %	9.60 %

Note: For the fiscal years 2011-2012, the Martin County Community Redevelopment Agency (CRA) was reported as a discretely presented component unit and is not included in this schedule. For the remaining fiscal years, it is included in this schedule as a blended component unit. More information about the CRA can be found in the notes to the financial statements.

⁸ Debt service in this ratio only includes the principal and interest components of debt service.

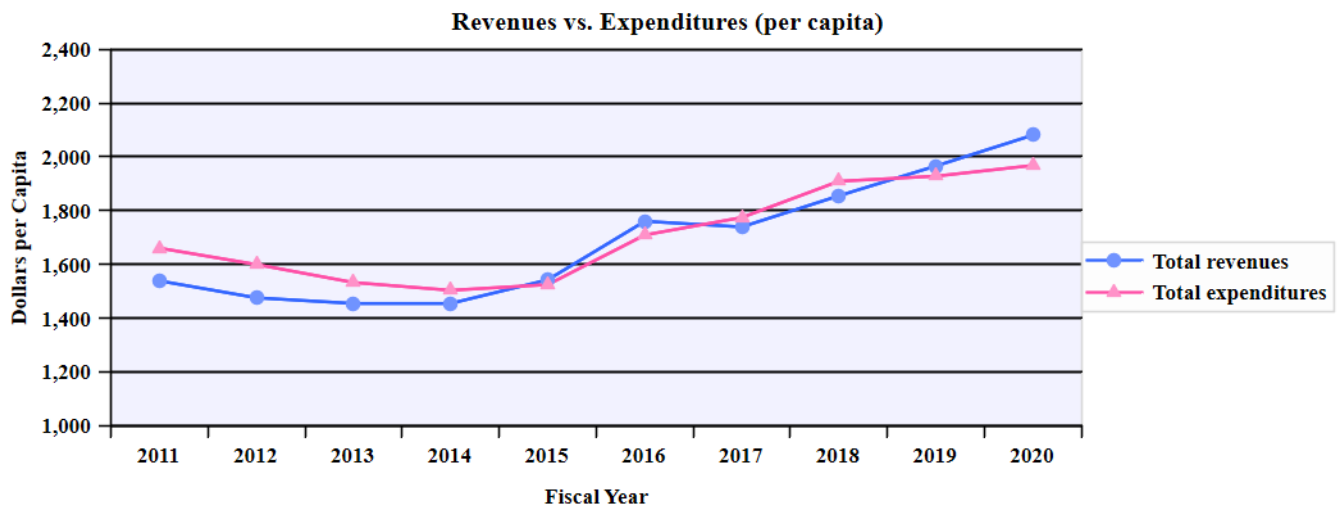
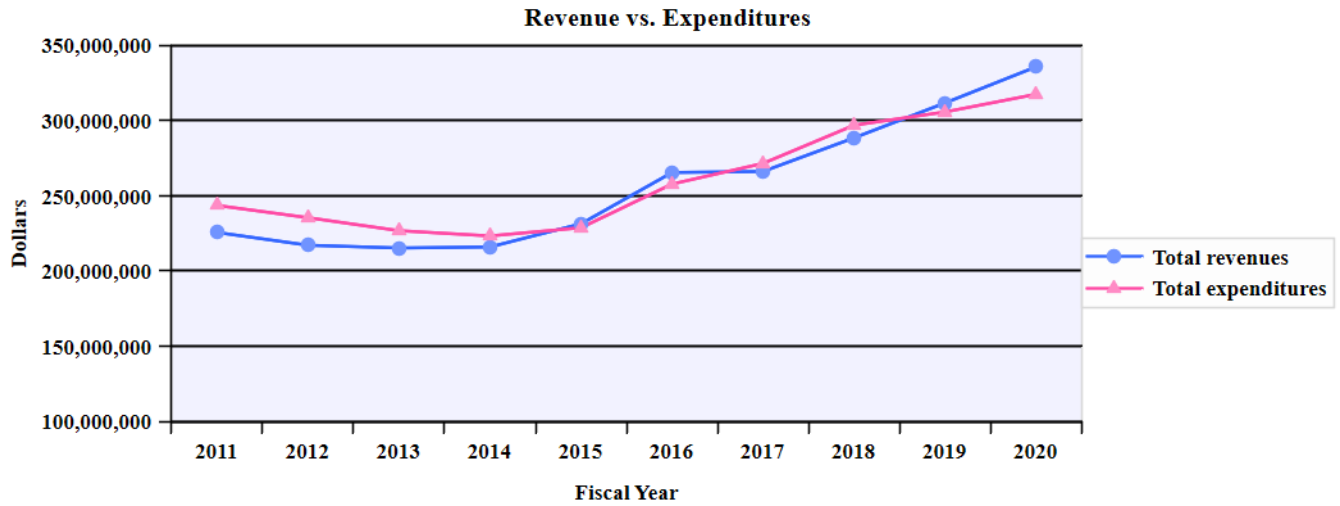
(Unaudited)

Fiscal Year				
2016	2017	2018	2019	2020
\$ 165,949,315	\$ 176,526,313	\$ 190,844,002	\$ 201,094,942	\$ 218,615,430
16,050,279	16,700,257	18,859,211	23,061,318	20,379,331
46,178,269	38,601,668	42,394,731	37,501,958	55,208,606
21,801,676	22,631,331	23,373,480	27,080,987	26,239,453
2,431,495	1,858,250	1,968,848	1,954,037	1,842,571
1,015,118	1,625,710	3,052,116	5,937,140	4,605,218
-	587,128	1,824,125	7,234,797	1,057,586
12,054,384	7,647,736	6,201,848	7,869,702	7,791,479
265,480,536	266,178,393	288,518,361	311,734,881	335,739,674
54,116,377	66,940,228	67,542,558	63,364,085	65,420,054
108,884,240	114,006,200	119,915,758	127,294,502	137,362,518
16,832,848	11,585,656	10,659,263	15,420,796	8,481,826
16,168,819	16,752,567	13,878,569	13,904,016	14,420,850
2,875,403	3,212,106	3,277,611	3,994,326	5,314,725
6,889,048	6,599,584	7,776,731	7,689,971	6,607,913
13,802,127	14,204,491	15,416,463	16,906,201	16,311,583
29,357,748	30,096,103	50,049,349	44,228,195	49,182,340
7,283,408	6,610,235	6,357,929	9,987,385	10,079,893
1,556,658	1,447,430	1,819,083	2,611,891	4,263,646
45,110	78,600	218,159	343,405	58,436
257,811,786	271,533,200	296,911,473	305,744,773	317,503,784
7,668,750	(5,354,807)	(8,393,112)	5,990,108	18,235,890
-	-	-	-	-
5,355,323	4,967,000	26,175,000	50,589,064	6,935,079
-	-	-	-	-
-	-	-	-	-
14,332,588	12,497,435	12,817,801	11,047,017	14,015,604
(14,561,588)	(12,876,874)	(8,526,378)	(11,362,955)	-
5,126,323	4,587,561	30,466,423	50,273,126	20,950,683
\$ 12,795,073	\$ (767,246)	\$ 22,073,311	\$ 56,263,234	\$ 39,186,573
3.87 %	3.34 %	3.31 %	4.82 %	5.35 %
3.45 %	3.00 %	2.83 %	4.23 %	4.54 %
11.39 %	11.08 %	16.86 %	14.47 %	15.49 %

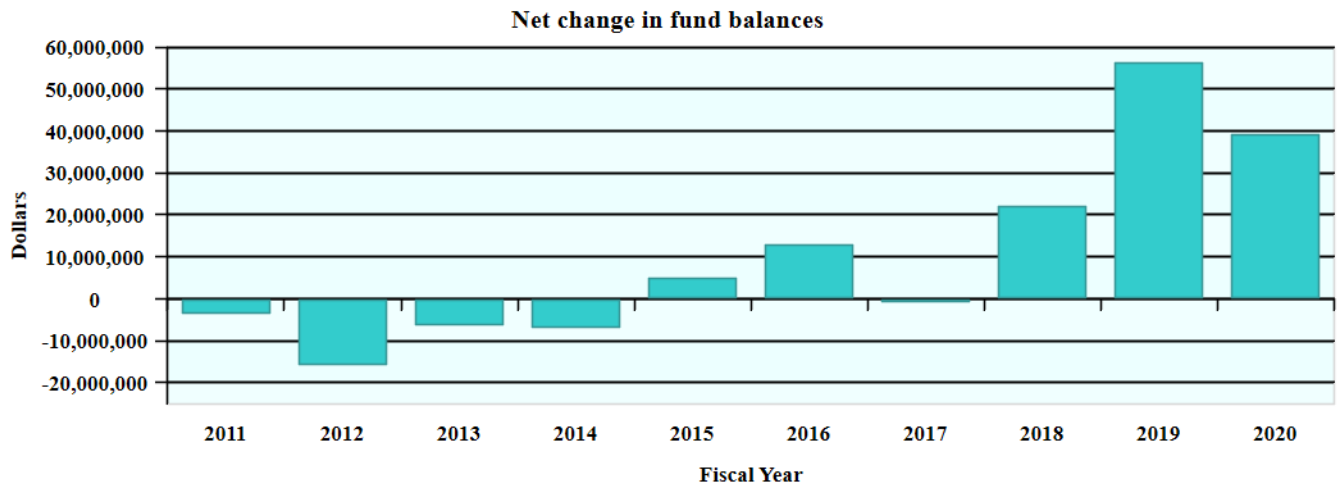
Martin County, FL

Graphs Related to Changes in Fund Balance

Governmental Funds, Last Ten Fiscal Years



Note: Population data can be found in the Demographic and Economic Statistics schedule.





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Martin County, Florida
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Residential	Commercial	Agricultural	Other	Total Real Property
2011	\$ 15,986,019,852	\$ 2,930,020,513	\$ 1,848,319,700	\$ 2,366,717,691	\$ 23,131,077,756
2012	15,146,410,571	2,696,185,025	1,405,034,390	2,172,168,785	21,419,798,771
2013	14,495,129,157	2,567,563,225	1,376,935,105	1,961,063,100	20,400,690,587
2014	14,827,621,858	2,621,200,178	1,327,209,170	1,996,225,450	20,772,256,656
2015	15,804,742,761	2,777,158,840	1,257,881,600	2,012,517,930	21,852,301,131
2016	17,009,437,730	3,053,618,651	1,229,280,140	2,110,660,352	23,402,996,873
2017	18,587,439,790	3,165,196,132	1,420,282,210	1,979,667,392	25,152,585,524
2018	20,127,111,320	3,308,529,153	1,606,888,087	1,957,524,942	27,000,053,502
2019	21,110,757,518	3,405,503,074	1,596,625,950	1,883,872,182	27,996,758,724
2020	22,293,751,712	3,519,405,004	1,841,313,080	2,069,732,842	29,724,202,638

Source: Martin County Property Appraiser's Office

Note: Assessed values approximate estimated actual value. Tax rates are per \$1,000 of assessed value.

(Unaudited)

Personal Property	Centrally Assessed Property	Total Assessed Value	Homestead & Other Exemptions	Total Taxable Valuation	Total Direct Millage Rate
\$ 2,069,709,043	\$ 45,743,610	\$ 25,246,530,409	\$ 7,753,620,332	\$ 17,492,910,077	6.5686
2,379,712,569	47,987,530	23,847,498,870	6,704,274,218	17,143,224,652	6.7340
2,691,033,580	43,326,596	23,135,050,763	6,197,480,627	16,937,570,136	6.7084
2,751,732,111	46,969,179	23,570,957,946	6,382,476,674	17,188,481,272	6.8908
2,694,829,935	56,762,712	24,603,893,778	6,915,578,676	17,688,315,102	7.0137
2,851,740,402	58,633,754	26,313,371,029	7,725,990,616	18,587,380,413	7.1924
2,886,913,105	63,522,147	28,103,020,776	8,553,106,907	19,549,913,869	9.4144
3,151,615,660	65,573,219	30,217,242,381	9,458,772,763	20,758,469,618	9.6226
3,411,347,516	67,193,896	31,475,300,136	9,448,245,360	22,027,054,776	10.0218
2,984,729,327	66,463,862	32,775,395,827	10,077,573,541	22,697,822,286	10.3574

Martin County, Florida
Direct and Overlapping Property Tax Rates
Per Thousand of Taxable Value
Last Ten Fiscal Years

(Unaudited)

	Fiscal Year Taxes Are Payable			
	2011	2012	2013	2014
County Direct Rates				
General- Countywide				
General Fund	5.5250	5.7336	5.6956	5.8300
Bonds - General Obligation	0.0314	-	-	-
Bonds - Lands For You	0.0167	-	-	-
Bonds - FIT	0.0345	0.0368	0.0373	0.0368
Municipal Service Taxing Units ⁹	0.9610	0.9636	0.9755	1.0240
Total County Direct Rate	6.5686	6.7340	6.7084	6.8908
Overlapping Rates - Countywide				
School Board	6.9560	6.6040	6.9040	7.2780
Children's Services	0.3523	0.3693	0.3693	0.3693
South Florida Water Management	0.6240	0.4363	0.4289	0.4110
Florida Inland Navigation District	0.0345	0.0345	0.0345	0.0345
Overlapping Rates - Non-Countywide				
City of Stuart	4.6436	4.6674	4.9041	4.8020
Town of Jupiter Island	3.3841	5.0794	4.7229	4.7047
Town of Ocean Breeze Park	2.6295	4.6799	4.7910	5.0619
Town of Sewall's Point	2.1800	2.2896	2.2896	2.3500
Village of Indiantown	-	-	-	-
Drainage Districts ¹⁰	5.10-68.75/ac	5.10-68.75/ac	5.10-68.75/ac	5.10-68.29/ac

Source: Martin County Tax Collector's Office

Note: Per *Florida Statute* (F.S.) 200.081, no municipality can levy ad valorem taxes against real and tangible personal property in excess of 10 mills, except for voted levies. As defined in F.S. 192.001, a mill is one-thousandth of a United States dollar. So, a one mill tax rate would produce one dollar of taxes on each \$1,000 of assessed property valuation.

⁹ Municipal Services Taxing Units are special taxing units established by the Board of County Commissioners via an adopted ordinance. They are geographic areas defined by specific boundaries and are in the unincorporated areas of the County. These taxes are used within the boundaries of the taxing unit for services such as sidewalk/street repair, fire/rescue services, stormwater abatement, parks operations, and community redevelopment area operations. Starting in FY 2017, the MSTU rate calculation includes both the weighted average segments and total countywide direct rates.

¹⁰ Drainage Districts are special districts that have governing boards with policy-making powers. They have the responsibility for providing irrigation, drainage, etc. for the land areas within the drainage district boundaries. The tax rates are assessed on a per acre basis and are only assessed on the land within the drainage district boundaries. The total tax levy for taxes payable in fiscal year 2020 is \$1,778,259. This is 0.83% of the total original levy of \$214,409,134.

(Unaudited)

Fiscal Year Taxes Are Payable					
2015	2016	2017	2018	2019	2020
5.9651	6.1264	6.2407	6.3887	6.5971	6.6928
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1.0486	1.0660	3.1737	3.2339	3.4247	3.6646
7.0137	7.1924	9.4144	9.6226	10.0218	10.3574
7.1380	7.0980	6.8810	6.5520	6.8620	6.6480
0.3618	0.3618	0.3618	0.3618	0.3618	0.3618
0.3842	0.3551	0.3307	0.3100	0.2936	0.2795
0.0345	0.0320	0.0320	0.0320	0.0320	0.0320
4.8540	4.8327	4.8224	4.7572	4.9962	5.3202
4.5813	4.4270	4.3087	4.1724	4.1027	4.0391
4.9472	3.9814	5.2177	5.4750	6.3826	4.8008
2.6000	2.8700	2.8700	2.8700	2.8700	2.8700
-	-	-	-	4.2623	1.6304
5.82-68.27/ac	5.82-68.27/ac	5.78-68.23/ac	5.78-123.61/ac	5.78-123.61/ac	5.78-123.61/ac

Martin County, Florida
Principal Property Tax Payers
Current Fiscal Year and Nine Years Ago

(Unaudited)

Taxpayer	2020			2011		
	Taxable Assessed Valuation	Rank ¹¹	Percentage of Total Taxable Valuation	Taxable Assessed Valuation	Rank ¹¹	Percentage of Total Taxable Valuation ¹¹
Florida Power & Light Company	\$ 2,177,532,252	1	9.59%	\$ 1,180,599,094	1	6.75 %
Florida Southeast Connection	89,191,087	2	0.39%	-	-	- %
Treasure Coast - JCP Associates LTD	75,566,523	3	0.33%	76,587,372	3	0.44 %
Publix Super Markets, Inc.	69,804,881	4	0.31%	-	-	- %
Jupiter Island Irrevocable Homestead Trust	46,655,120	5	0.21%	-	-	- %
Florida East Coast Railway	43,065,628	6	0.19%	27,219,217	10	1.58 %
Florida Gas Transmission	41,309,078	7	0.18%	-	-	- %
Indiantown Cogeneration LP	38,492,343	8	0.17%	275,542,630	2	- %
PRCP-Stuart LLC	38,000,000	9	0.17%	-	-	- %
Arium Jensen Beach LLC	32,921,902	10	0.15%	-	-	- %
Gulfstream Natural Gas	-	-	-%	47,790,735	4	0.27 %
Louis Drefus Citrus Inc.	-	-	-%	38,678,495	5	0.22 %
Jeffrey H. Sands	-	-	-%	38,534,160	6	0.22 %
Bellsouth Telecommunication , Inc	-	-	-%	36,767,988	7	0.21 %
Lowe's Home Cneters, Inc.	-	-	-%	28,546,524	8	0.16 %
Sandhill Cove Properties, Inc.	-	-	-%	28,701,360	9	0.16 %
Total	\$ 2,652,538,814		11.69 %	\$ 1,778,967,575		10.01 %

Source: Martin County Tax Collector

¹¹Based on property tax payments made during the year



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Martin County, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years

(Unaudited)

<u>Fiscal Year Ended September 30,</u>	<u>Gross Taxes Levied for the Fiscal Year (Original Levy)</u>	<u>Discounts for Early Payments and Adjustments</u>	<u>Net Taxes Levied for the Fiscal Year (Net Levy)</u>
2011	\$ 137,569,894	\$ (4,951,678)	\$ 132,618,216
2012	137,852,340	(5,042,269)	132,810,071
2013	136,206,570	(4,821,818)	131,384,752
2014	142,591,382	(5,086,009)	137,505,373
2015	149,622,887	(5,486,577)	144,136,310
2016	161,232,665	(6,088,393)	155,144,272
2017	169,678,386	(6,279,049)	163,399,337
2018	184,363,027	(6,671,119)	177,691,908
2019	195,546,575	(7,179,129)	188,367,446
2020	214,409,134	(7,912,566)	206,496,568

Source: Martin County Tax Collector

Note: The adjustments are discounts, errors and insolvencies. The errors and insolvencies could be errors in values, homestead omission, etc. Property tax levies become due and payable on November 1st of each year. A 4% discount is allowed if paid in November, with the discount decreasing by 1% each month. Thus, taxes paid in March will not receive any discount.

(Unaudited)

Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
Amount	Percentage of Net Levy		Amount	Percentage of Net Levy
\$ 132,313,569	\$ 99.77	\$ 200,716	\$ 132,514,285	99.92 %
132,687,415	99.91	65,714	132,753,129	99.96 %
131,237,670	99.89	117,529	131,355,199	99.98 %
137,347,038	99.88	126,185	137,473,223	99.98 %
143,978,561	99.89	126,989	144,105,550	99.98 %
155,035,798	99.93	65,138	155,100,936	99.97 %
163,241,656	99.90	85,750	163,327,406	99.96 %
177,381,468	99.83	72,156	177,453,624	99.87 %
188,100,633	99.86	78,514	188,179,147	99.90 %
206,362,171	99.93	-	206,362,171	99.93 %

Martin County, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Governmental Activities					
	General Obligation Bonds	Revenue Bonds & Notes	Special Assessment Bonds	Capital Leases	State Loans	Notes Payable
2011	\$ 2,755,000	\$ 61,007,243	\$ -	\$ 16,412,430	\$ 6,548,268	\$ -
2012	2,240,000	56,922,455	-	14,850,312	6,072,466	1,530,557
2013	1,705,000	55,125,125	-	10,410,809	3,031,947	1,147,918
2014	1,160,000	47,933,888	-	9,518,295	2,800,247	765,278
2015	590,000	43,371,277	-	10,113,570	1,445,261	382,639
2016	-	39,304,760	-	13,352,297	1,317,605	-
2017	-	40,409,754	-	10,735,207	1,186,465	-
2018	-	62,388,044	-	21,526,506	1,051,749	-
2019	-	100,506,324	-	24,552,116	-	-
2020	-	93,067,288	-	28,350,115	-	-

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements. Total personal income is not available for 2020.

¹²See the schedule of demographic and economic statistics for personal income and population data.

¹³These ratios are calculated using personal income and population for the calendar year.

(Unaudited)

Business-Type Activities				
Revenue Bonds & Notes	State Loans	Total Primary Government	Percentage of Personal Income¹²	Per Capita¹³
\$ 72,215,000	\$ 18,920,582	\$ 177,858,523	2.28 %	\$ 1,212
87,895,000	1,984,956	171,495,746	2.17 %	1,165
84,300,000	1,855,875	157,576,674	1.92 %	1,064
80,535,000	1,723,244	144,435,952	1.44 %	972
76,635,000	1,586,965	134,124,712	1.21 %	894
72,585,000	1,446,937	128,006,599	1.10 %	848
70,724,682	1,303,058	124,359,166	0.92 %	815
70,885,012	1,155,221	157,006,532	1.14 %	1,009
66,144,686	1,003,317	192,206,443	1.40 %	1,212
61,310,608	847,235	183,575,246	-	1,138

Martin County, Florida
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

(Unaudited)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Actual Taxable Value of Property¹⁴	Per Capita¹⁵
2011	\$ 2,755,000	\$ 1,293,737	\$ 1,461,263	0.01 %	\$ 9.96
2012	2,240,000	1,237,881	1,002,119	0.01 %	6.81
2013	1,705,000	1,408,646	296,354	- %	2.00
2014	1,160,000	1,289,425	(129,425)	- %	(0.87)
2015	590,000	590,000	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements. The Constitution of the State of Florida, Florida Statute 200.181, and Martin County set no legal debt limit.

¹⁴Taxable value data can be found on the schedule of Assessed Value and Actual Value of Taxable Property.

¹⁵Population data can be found on the Demographic and Economic Statistics schedule.

Martin County, Florida
Direct and Overlapping Governmental Activities Debt
September 30, 2020

(Unaudited)

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹⁶</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Stuart			
Revenue Bonds and Notes	\$ 5,736,999	100%	\$ 5,736,999
General Obligation Bonds	5,265,000	100%	5,265,000
Town of Jupiter Island			
General Obligation Notes Payable	5,747,039	100%	5,747,039
Martin County School Board			
Bonds Payable	3,576,000	100%	3,576,000
Certificates of Participation	23,645,000	100%	23,645,000
Capital Lease	553,898	100%	553,898
South Florida Water Management District			
Certificates of Participation	387,761,158	2.16%	8,375,641
Subtotal, overlapping debt			52,899,577
Martin County Direct Debt			<u>121,417,403</u>
Total direct and overlapping debt			<u>\$ 174,316,980</u>

Source: Outstanding debt data for the overlapping governments is provided by the applicable government. Assessed values, after exemptions and other adjustments, are provided by the Martin County Property Appraiser for all units except the South Florida Water Management District (SFWMD). The SFWMD provided their own value since their borders extend beyond the County's borders.

Note: Government units that are included in this schedule are those whose geographic boundaries overlap, at least in part, with the boundaries of the County. This schedule estimates the portion of the overlapping government's outstanding debt that is borne by the residents and businesses of Martin County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt of each overlapping government.

¹⁶These percentages are estimated using assessed values of taxable property less homestead exemptions and other adjustments (taxable value). Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the County's boundaries and dividing it by each total taxable value.

Martin County, Florida
Pledged-Revenue Coverage - Governmental Activities
Last Ten Fiscal Years

(Unaudited)

Gas Tax Bonds, Series 2006 ¹⁷				
	Gross	Debt Service		Coverage
	Revenues	Principal	Interest	
2011	\$ 7,380,135	\$ 1,770,000	\$ 1,382,719	2.34
2012	7,303,272	1,840,000	1,316,411	2.31
2013	7,638,465	1,905,000	1,248,049	2.42
2014	7,921,938	1,975,000	1,175,775	2.51
2015	8,260,051	2,050,000	618,778	3.10
2016	8,115,460	2,325,000	678,936	2.70
2017	8,839,708	2,092,000	488,167	3.43
2018	8,570,571	2,138,000	441,425	3.32
2019	7,879,763	2,186,000	393,645	3.05
2020	7,890,500	2,234,000	344,804	3.06

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements. The bonds presented do not have any specific operating expenses to net to the pledged revenues.

¹⁷The Gas Tax Revenue Bonds, Series 2006, are backed by Gas Tax Revenues. These bonds were refunded on December 19, 2014, with the Gas Tax Refunding Revenue Note, Series 2014.



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Martin County, Florida
Pledged-Revenue Coverage - Business-Type Activities
Last Ten Fiscal Years

(Unaudited)

	2020	2019	2018	2017	2016
<i>PRIMARY DEBT SERVICE COVERAGE</i>					
Operating revenues	\$ 37,044,677	\$ 36,021,167	\$ 34,000,937	\$ 34,466,916	\$ 32,828,095
General and administrative expenses (a)	(21,166,024)	(16,299,794)	(17,745,445)	(18,297,114)	(15,698,777)
Non-operating income (b)	1,474,821	3,090,891	1,933,796	623,230	504,729
Special assessment fees (c)	1,373,096	1,161,238	1,187,735	1,267,559	1,220,289
Net revenues available for debt service	18,726,570	23,973,502	19,377,023	18,060,591	18,854,336
Connection fees (d)	4,724,950	2,503,745	2,287,605	1,899,239	1,363,074
Net revenues & connection fees	23,451,520	26,477,247	21,664,628	19,959,830	20,217,410
Debt service requirements (e)	\$ 6,817,937	\$ 6,817,333	\$ 6,816,309	\$ 6,236,362	\$ 6,825,909
Actual coverage:					
Excluding connection fees	2.75	3.52	2.84	2.90	2.76
Including connection fees	3.44	3.88	3.18	3.20	2.96
Required coverage:					
Excluding connection fees	1.10	1.10	1.10	1.10	1.10
Including connection fees	1.20	1.20	1.20	1.20	1.20
<i>STATE REVOLVING FUND LOAN DEBT SERVICE COVERAGE</i>					
Net revenues available for debt service	\$ 18,726,570	\$ 23,973,502	\$ 19,377,023	\$ 18,060,592	\$ 18,854,336
Less: revenue required for primary debt service coverage (f)	7,499,730	7,499,066	7,497,940	6,859,998	7,508,500
Less indirect costs	1,440,585	1,454,462	1,454,462	1,554,623	1,554,623
Adjusted net revenues	9,786,255	15,019,974	10,424,621	9,645,971	9,791,213
Debt service requirements (g)	\$ 969,566	\$ 954,500	\$ 954,499	\$ 798,090	\$ 722,157
Actual coverage	10.09	15.74	10.92	12.09	13.56
Required coverage	1.15	1.15	1.15	1.15	1.15

- a. Excludes depreciation, loss on disposal of assets, indirect costs to General Fund and includes other debt services costs exclusive of bond principal and interest.
- b. Does not include interest income on project funds from bond proceeds or interest income on connection fees. Also does not include gain on sale of assets.
- c. Special assessment fees received in the fiscal year are included for purposes of debt service coverage in the calculation of net revenues per the bond covenants. On the Statement of Revenues, Expenses and Changes in Net Assets special assessment revenues are recognized when the project is completed and recorded as a capital contribution.
- d. Amounts shown reflect Capital Facility Charges and interest adjusted by the Capital Facility Charges Debt Service Component.
- e. Total debt service includes bond principal and total interest expense. Amount reported as interest expense in the Statement of Revenues, Expenses and Changes in Net Assets is net of capitalized interest and bond premiums.
- f. Represents 110% of primary debt service requirements.
- g. Represents debt service requirements on outstanding State Revolving Fund Loans and Internal Department Loan for each fiscal year.

Source: Martin County Utilities Department

Martin County, Florida
Pledged-Revenue Coverage - Business-Type Activities
Last Ten Fiscal Years

(Unaudited)

	2015		2014		2013		2012		2011
\$	32,294,920	\$	31,260,723	\$	29,563,838	\$	29,549,044	\$	29,371,014
	(15,447,353)		(14,788,486)		(14,694,424)		(14,327,780)		(14,713,133)
	729,531		691,429		521,661		673,537		558,104
	1,219,968		643,087		733,151		604,700		690,738
	<u>18,797,066</u>		<u>17,806,753</u>		<u>16,124,226</u>		<u>16,499,501</u>		<u>15,906,723</u>
	1,353,237		946,339		994,352		996,280		771,830
	<u>20,150,303</u>		<u>18,753,092</u>		<u>17,118,578</u>		<u>17,495,781</u>		<u>16,678,553</u>
\$	6,823,649	\$	6,831,083	\$	6,813,507	\$	7,022,218	\$	7,106,186
	2.76		2.61		2.37		2.35		2.24
	2.95		2.75		2.51		2.49		2.35
	1.10		1.10		1.10		1.10		1.10
	1.20		1.20		1.20		1.20		1.20
\$	18,797,066	\$	17,806,753	\$	16,124,226	\$	16,499,501	\$	15,906,723
	7,506,014		7,514,190		7,494,858		7,724,440		7,816,805
	<u>1,460,459</u>		<u>1,460,459</u>		<u>1,483,726</u>		<u>1,444,780</u>		<u>1,212,940</u>
	9,830,593		8,832,104		7,145,642		7,330,281		6,876,978
\$	722,157	\$	455,946	\$	182,439	\$	180,724	\$	182,086
	13.56		19.37		39.17		40.56		37.77
	1.15		1.15		1.15		1.15		1.15

Martin County, Florida
Demographic and Economic Statistics
Last Ten Years

(Unaudited)

Year	Population	Personal Income		Unemployment Rate	Median Age
		Total Personal Income¹⁸	Per Capita Personal Income		
2011	146,689	\$ 7,787,403	\$ 52,798	10.8	50.0
2012	147,203	7,897,895	53,071	8.8	50.6
2013	148,077	8,199,279	54,205	7.6	50.8
2014	148,585	10,054,953	65,551	6.1	51.3
2015	150,062	11,126,863	71,197	5.2	51.6
2016	150,870	11,632,136	73,296	4.8	52.0
2017	153,022	12,650,502	79,104	4.2	52.3
2018	155,556	13,496,101	83,873	3.0	52.6
2019	158,598	13,748,480	85,394	2.7	52.6
2020	161,301 ¹⁹	N/A	N/A	4.2	52.9 ²⁰

Sources: The personal income information is from the Bureau of Economic Analysis, U.S. Department of Commerce, and the 2010-2017 unemployment rates are from the Bureau of Labor Statistics. The 2018-2020 unemployment rates are from the Florida Department of Economic Opportunity. All other information is from the University of Florida Bureau of Economic & Business Research.

N/A - Information is not available

¹⁸In thousands of dollars.

¹⁹This is an estimate based on projections by the University of Florida Bureau of Economic & Business Research.

²⁰This is an estimate from 2019; data is not available for 2020.

Martin County, Florida
Principal Employers
Current Year and Nine Years Ago

(Unaudited)

Employer	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Cleveland Clinic, formerly known as Martin Memorial Health Systems	2,700	1	3.68 %	2,825	1	4.45 %
Martin County School District	2,441	2	3.33 %	2,566	2	4.04 %
Martin County Government	1,802	3	2.46 %	1,566	3	2.47 %
Seacoast National Bank	805	4	1.10 %	-	-	- %
Publix Supermarkets	708	5	0.96 %	1,276	4	2.01 %
NuCo2	700	6	0.95 %	-	-	- %
GL Staffing Services	700	7	0.95 %	-	-	- %
Armellini Express Lines	650	8	0.89 %	-	-	- %
Visiting Nurses Association of Florida	600	9	0.82 %	-	-	- %
State of Florida	505	10	0.69 %	637	5	1.00 %
IVOX Solutions	-	-	- %	532	6	0.84 %
TurboCombustor Technologies Inc	-	-	- %	420	7	0.66 %
Winn Dixie	-	-	- %	329	8	0.52 %
Liberator Medical Holdings Inc	-	-	-	319	9	0.50 %
Florida Power & Light	-	-	-	303	10	0.48 %
Total	11,611		15.83 %	10,773		16.97 %

Sources: The labor force figures are from the Florida Department of Economic Opportunity. The Business Development Board data includes information for only their targeted industries which may not include businesses that have been included on this list in the past, such as Lowes, Publix, Winn-Dixie, etc. More information on their targeted industries can be found on their website <http://www.yesmartinfl.com>.

Note:

The data presented in this list may include part time and full time employees. The labor force figures for 2020 and 2011 are 73,374 and 63,454, respectively. These numbers were used to calculate the percentage of total county employment.

Martin County, Florida
Full-time Equivalent Martin County Government Employees
By Function/Program
Last Ten Fiscal Years

(Unaudited)

Function/ Program	Full-time Equivalent Employees as of September 30²¹			
	2011	2012	2013	2014
General government	336.48	326.40	340.70	335.66
Public safety				
Ambulance and fire rescue services	289.00	292.00	290.00	292.00
Police protection	268.00	265.00	252.00	282.00
Corrections	135.00	129.00	130.00	120.00
Other	219.00	235.00	239.00	271.00
Physical environment				
Solid waste	19.70	19.70	19.40	18.40
Water sewer	89.90	88.90	90.20	94.20
Other	30.00	30.00	31.00	29.00
Transportation				
Airport	5.00	6.00	5.00	5.00
Road and street	69.00	69.00	67.60	67.00
Economic environment	8.00	8.25	10.25	7.90
Human services	10.00	8.75	8.75	8.95
Culture and recreation				
Libraries	39.73	38.73	38.73	44.73
Parks and recreation	46.75	48.75	52.15	58.40
Total	1,565.56	1,565.48	1,574.78	1,634.24

Sources: Martin County Board of County Commissioners, Clerk of the Circuit Court, Property Appraiser, Sheriff, and Tax Collector

²¹Note: The Sheriff's data, which is reported under the public safety function, is as of March 31 of each fiscal year. Information as of September 30 is unavailable.

(Unaudited)

Full-time Equivalent Employees as of September 30 ²¹					
2015	2016	2017	2018	2019	2020
362.27	344.15	361.97	369.30	387.55	386.70
279.00	288.00	284.83	278.60	323.00	326.15
265.00	263.00	266.00	267.00	276.00	282.00
122.00	117.00	136.00	136.00	135.00	135.00
276.00	292.00	255.17	272.75	276.00	278.85
20.70	19.60	18.40	21.40	24.40	23.40
91.90	91.15	94.35	95.35	97.35	98.35
26.80	27.70	29.10	27.70	29.80	28.40
6.00	7.00	6.00	6.00	7.00	7.00
70.00	70.50	78.75	84.41	85.06	79.86
7.55	9.55	9.55	10.30	11.30	12.30
8.60	11.75	12.35	13.75	15.75	17.35
45.73	45.00	48.00	47.00	46.00	50.00
73.00	67.00	72.00	78.00	78.00	77.00
1,654.55	1,653.40	1,672.47	1,707.56	1,792.21	1,802.36

Martin County, Florida
Operating Indicators by Function/Program
Last Ten Fiscal Years

(Unaudited)

Function/ Program	Fiscal Year			
	2011	2012	2013	2014
Public Safety				
Fire Rescue				
Number of calls answered	16,811	16,423	17,390	18,241
Police Protection				
Number of calls answered	285,233	312,171	313,080	312,997
Number of citations	10,421	11,191	10,673	10,324
Number of law violations	14,608	14,411	13,511	12,682
Number of arrests	6,570	7,253	7,064	6,560
Physical Environment				
Water quality/Stormwater				
Basin acres treated	7,686	10,146	10,146	10,146
Treated run-off (in acre-feet)	299.2	324.8	324.8	324.8
Treated run-off (in million gallons)	98.9	107.3	107.3	107.3
Water				
New connections	270	3,367	518	549
Average daily consumption (million gallons per day)	9.098	9.296	8.833	9.342
Sewer				
Average daily sewage treatment (million gallons per day)	3.883	4.110	4.162	4.147
Solid Waste				
Waste disposal (in tons)	127,846	130,014	161,515	167,137
Recycling materials (in tons)	62,095	63,936	65,596	72,057
Transportation				
Engineering				
Linear miles of paved roadway maintained	507.30	507.01	510.64	513.66
Linear miles of unpaved roadway maintained	16.99	16.99	14.67	14.67
Number of street lights maintained	5,233	4,738	4,979	5,191
Number of traffic signals maintained	181	188	188	193
Number of bridges maintained	48	50	51	51
Lineal feet sidewalks repaired/replaced	7,450	9,122	10,105	10,526
Human Services (in numbers of residents)				
Prescription assistance	123	110	95	93
Indigent medical assistance - hospitalization/physician services	494	417	414	387
Culture and Recreation				
Libraries				
Library items borrowed	1,258,109	1,260,038	1,220,087	1,045,482
Library visits	996,953	945,240	923,672	841,697
Program attendance	66,643	66,833	67,525	61,483
Parks				
Number of programs offered	104	139	153	155
Number of participants	135,500	286,901	365,335	407,517

Sources: Various County departments

(Unaudited)

Fiscal Year					
2015	2016	2017	2018	2019	2020
19,630	21,392	24,015	22,694	23,706	24,526
314,425	303,509	278,738	296,033	288,557	294,948
12,537	16,143	8,810	5,861	6,892	4,968
13,811	15,559	10,509	10,056	9,325	6,544
6,257	6,019	6,558	6,338	5,679	4,287
12,200	17,709	17,997	18,225	18,225	18,610
365.0	390.3	442.0	472.5	472.5	509.6
119.0	127.2	144.0	155.9	155.9	168.0
442	476	300	606	691	594
9.518	9.684	9.465	10.163	10.186	9.442
4.148	4.286	5.029	4.295	4.117	5.027
187,396	204,091	207,532	232,266	301,319	306,450
81,253	89,004	89,241	105,230	98,634	101,294
514.59	514.68	529.00	498.75	499.96	500.47
14.10	14.10	14.10	15.19	14.16	14.00
5,438	5,568	5,571	5,531	5,544	5,109
199	197	203	202	212	209
51	52	53	53	53	53
8,088	8,174	11,050	12,035	12,082	5,943
12	13	39	72	24	5
453	434	457	436	347	545
970,947	949,737	904,316	857,851	810,360	557,550
786,970	702,303	688,042	667,187	640,868	341,999
80,287	80,212	82,113	78,599	77,313	67,051
160	165	169	269	261	178
425,100	437,800	450,900	528,762	447,712	296,763

Martin County, Florida
Capital Asset Statistics by Function
Last Ten Fiscal Years

(Unaudited)

Function/ Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Fire Rescue										
Number of fire engines	16	16	16	16	16	16	17	17	17	17
Number of ambulances	18	18	18	18	18	18	20	20	20	20
Number of stations	14	14	14	14	14	14	13	12	12	12
Police Protection										
Number of stations/field offices	8	6	8	9	9	9	8	8	8	8
Physical Environment										
Water quality/Stormwater										
Stormwater treatment area (in acres)	167.59	175.74	178.74	178.74	203.14	240.86	251.00	276.53	276.53	284.77
Water										
Water mains (in miles)	518	519	526	543	546	546	557	568	582	586
Fire hydrants	3,363	3,389	3,461	3,514	3,555	3,591	3,604	3,759	3,885	3,931
Sewer										
Pump stations	383	387	390	391	391	391	391	418	476	552
Reuse water mains	36	39	39	39	39	39	39	39	40	41
Transportation										
Engineering										
Linear miles of paved roadway	507.30	507.01	510.64	513.66	514.59	514.68	529.00	498.75	499.96	500.47
Linear miles of unpaved roadway	16.99	16.99	14.67	14.67	14.10	14.10	14.00	15.19	14.16	14.00
Number of street lights	415	421	503	610	698	709	725	745	752	809
Number of traffic signals	97	99	99	105	106	106	110	108	118	120
Number of bridges	49	50	51	51	51	52	53	53	53	59
Culture and Recreation										
Library										
Library collection	378,297	363,559	335,253	382,683	326,392	287,400	299,069	291,789	313,457	324,566
Number of libraries	7	7	7	7	7	7	6	6	6	6
Parks										
Number of parks	72	73	73	74	76	76	76	76	75	72
Number of acres managed	1,450	1,496	1,496	1,522	1,784	1,784	1,784	1,776	1,776	1,719
Number of conservation acres	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016
Number of baseball/softball fields	34	34	33	37	39	39	36	36	36	33
Number of football/soccer fields	22	22	23	23	25	25	30	30	30	28
Number of community centers	13	13	13	13	12	12	12	12	12	10
Number of boat ramps	25	25	25	26	26	26	26	26	26	26
Linear footage of publicly owned beaches	16,363	16,363	16,363	16,363	14,802	14,802	14,802	14,802	14,802	14,802

Sources: Various County departments

SINGLE AUDIT AND OTHER REPORTS

MARTIN COUNTY, FLORIDA

**SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
AND RELATED AUDIT REPORTS**

Year Ended September 30, 2020

CONTENTS

	<u>Page Number</u>
Schedule of Expenditures of Federal Awards and State Financial Assistance	1 - 4
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	5
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	6 - 7
Independent Auditor's Report on Compliance for Each Major Federal Program and Major State Project and on Internal Control over Compliance; Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, <i>Rules of the Auditor General</i>	8 - 10
Schedule of Findings and Questioned Costs	11

Martin County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2020

Federal Grantor/State Agency			Expenditures		
Pass Through Entity/Program Title	CFDA/ CSFA #	Grant/Contract #	County	Subrecipient	Total
DEPARTMENT OF COMMERCE					
Coastal Zone Management Administration Awards Clifton Perry Public Access	11.419	CZ220	\$ 49,900	\$ -	\$ 49,900
Total Department of Agriculture			49,900	-	49,900
DEPARTMENT OF ECONOMIC OPPORTUNITY					
Community Development Block Grants FY18 CDBG Housing Rehab	14.228	17DB-OL-10-53-01-H 13	351,927	-	351,927
Total Department of Economic Opportunity			351,927	-	351,927
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Direct awards Office of Community Planning and Development:					
Shelter Plus Care	14.267	HUD S+C FL0118L4H091710	53,258	-	53,258
Shelter Plus Care	14.267	HUD S+C FL0117L4H091811	64,850	-	64,850
Shelter Plus Care	14.267	HUD S+C FL0687L4H091801	75,046	-	75,046
Shelter Plus Care	14.267	HUD S+C FL0118L4H091811	55,529	-	55,529
Shelter Plus Care	14.267	HUD S+C FL0117L4H091912	50,963	-	50,963
Shelter Plus Care	14.267	HUD S+C FL0835L4H091900	12,333	-	12,333
Total Department of Housing and Urban Development			311,979	-	311,979
U.S. DEPARTMENT OF JUSTICE					
Direct award Office of Justice Programs, Bureau of Justice Assistance:					
2012 SCAAP	16.606	2012-H4972FL-AP	15,951	-	15,951
USDOJ Adult Drug Court Program	16.585	2017-DC-BX-0014	134,388	-	134,388
Edward Byrne Memorial Justice Assistance Grant	16.738	2020-JAG-MART-1-Y5-126	22,114	-	22,114
Passed through the Office of Attorney General, Office of Justice Programs, Office of Victims of Crime:					
Victims of Crime Act Grant (VOCA)	16.575	V12123	77,871	-	77,871
Total Department of Justice			250,324	-	250,324
U.S. DEPARTMENT OF TRANSPORTATION					
Passed through Federal Aviation Administration:					
Noise Mitigation PH2	20.106	AIP-3-12-0076-015-2009	137,534	-	137,534
FAA Airport Master Plan	20.106	AIP-3-12-0076-021-2018	32,819	-	32,819
FAA Runway 30/34 Grading	20.106	AIP-3-12-0076-022-2019	156,909	-	156,909
			327,262	-	327,262
Direct Awards Federal Transit Administration:					
Highway Planning and Construction Cluster					
Port Salerno Elementary Sidewalk	20.205	FPN-439979-1-58-01	415,557	-	415,557
NW Dixie Hwy Sidewalk Ext LAP	20.205	FPN-44020-1-58-01	224,323	-	224,323
Savannah Road Resurfacing LAP	20.205	FPN-438342-1-58-01	898,871	-	898,871
MPO FY19 & FY20 FHWA Funds	20.205	G0Y82	600,821	-	600,821
MPO FY21 & FY22 FHWA Funds	20.205	G1O78	102,693	-	102,693
			2,242,265	-	2,242,265
MPO Section 5305 FY16-FY20	20.505	G0356	2,000	-	2,000
MPO Section 5305 FY19-FY20	20.505	G1482	92,967	-	92,967
			94,967	-	94,967
Federal Transit Cluster					
SECTION 5307 FY13	20.507	FL-90-X854	196,723	-	196,723
SECTION 5307 FY14	20.507	FL-90-X880-00	387,602	-	387,602
SECTION 5307 FY15	20.507	FL-2016-038-00	264,108	-	264,108
SECTION 5307 - FY16	20.507	FL-2017-076-00	88,788	-	88,788
SECTION 5307 - FY17	20.507	FL-2018-085-00	285,912	-	285,912
SECTION 5307 - FY17	20.507	FL-2019-043-00	36,220	-	36,220
SECTION 5307 - CARES Act Urbanized Area	20.507	FL-2020-090-00	99,420	-	99,420
			1,358,773	-	1,358,773
Section 5311 FDOT JPA - FY18	20.509	ARU53	68,419	-	68,419
Section 5311 FDOT JPA - FY19	20.509	G1A03	38,351	-	38,351
Section 5311 CARES ACT Non-Urbanized	20.509	G1L72	6,850	-	6,850
			113,620	-	113,620
Section 5310 - Mobility Mgmt Program	20.513	GOH24	34,873	-	34,873
Section 5339 FY17 BUS	20.526	FL-2018-077-00	85,107	-	85,107
Total Department of Transportation			4,256,866	-	4,256,866

Martin County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2020

			Expenditures		
Federal Grantor/State Agency	CFDA/ CSFA #	Grant/Contract #	County	Subrecipient	Total
U.S. DEPARTMENT OF TREASURY					
SHIP Coronavirus Relief	21.019		\$ -	\$ 113,130	\$ 113,130
Coronavirus Relief - CARES ACT	21.019	Y2281	5,022,440	-	5,022,440
			5,022,440	113,130	5,135,570
Total Department of Treasury			5,022,440	113,130	5,135,570
NATIONAL ENDOWMENT FOR THE HUMANITIES					
OPC Ripple Project Our Town #2	45.024	17-4292-7128	12,274	-	12,274
			12,274	-	12,274
Total National Endowment for the Humanities			12,274	-	12,274
ENVIRONMENTAL PROTECTION AGENCY					
Willoughby Creek Stormwater Quality	66.460	NS035	209,739	-	209,739
Total Environmental Protection Agency			209,739	-	209,739
U.S. ELECTION ASSISTANCE COMMISSION (EAC)					
Passed through the Florida Department of State Division of Elections:					
Help America Vote Act (HAVA) FY17	90.401		427	-	427
Help America Vote Act (HAVA) FY18	90.401		17,242	-	17,242
Help America Vote Act (HAVA) FY19	90.401	MOA#2089-2019-0003-MRT	13,606	-	13,606
Help America Vote Act Federal Elections (Cybersecurity) FY20	90.401	MOA#2019-2020-0001	15,535	-	15,535
HAVA CARES FY2020 FED ELECTIONS	90.404		74,385	-	74,385
Total U.S. Election Assistance Commission			121,195	-	121,195
DEPARTMENT/IND. AGENCY					
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed through Florida Department of Revenue, Administration for Children and Families:					
Child Support Enforcement Program (Title IV-D)	93.563	COC43	130,701	-	130,701
Injury Prevention & Control Research & State and Community Based Program					
DOH Data to Action OPIOID	93.136	B6C02D	66,029	-	66,029
CARES Act Relief Fund Stimulus - Fire Rescue	93.498		230,027	-	230,027
Passed through Florida DCA:					
Community Services Block Grant 2017	93.569	17SB-0D-12-00-01-023	-	70,441	70,441
Total Department of Health and Human Services			426,757	70,441	497,198
DEPARTMENT/IND. AGENCY					
Executive Office of the President					
High Intensity Drug Trafficking Areas Program	95.001	G18M10014A & G19	167,577	-	167,577
Total Department/IND. Agency			594,334	70,441	664,775
U.S. DEPARTMENT OF HOMELAND SECURITY					
Disaster Grants - Public Assistance Hurricane Matthew FY20	97.036		574,215	-	574,215
Disaster Grants - Public Assistance - Hurricane IRMA FY20	97.036		2,837,986	-	2,837,986
Disaster Grants - Public Assistance - Hurricane Isaac FY20	97.036		1,278,669	-	1,278,669
Direct award Emergency Management Preparedness (EMPG)	97.042	G0073	17,283	-	17,283
Emergency Management Preparedness (EMPG)	97.042	G0004	72,983	-	72,983
Emergency Management Preparedness (EMPG) Supplemental FY21 COVID-19	97.042	G0082	2,394	-	2,394
Passed through the Florida Division of Emergency Management					
Operation Stonegarden	97.067	2011-SS-00067	177,183	-	177,183
HSPG Grant	97.067	19-DS-X1-10-53-01-200	-	-	-
FY18 SHSGP MARC Replacement	97.067	RO002	71,500	-	71,500
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2017-FH-00410	1,317,780	-	1,317,780
Total Department of Homeland Security			6,349,993	-	6,349,993
Total Expenditures of Federal Financial Assistance			\$ 17,530,971	\$ 183,571	\$ 17,714,542

Martin County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2020

			Expenditures		
Federal Grantor/State Agency	CFDA/ CSFA #	Grant/Contract #	County	Subrecipient	Total
FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS					
Passed through Division of Emergency Management:					
FY20 Emergency Preparedness	31.063	A0006	\$ 60,423	\$ -	\$ 60,423
FY21 Emergency Preparedness	31.063	A0092	20,854	-	20,854
Total Florida Department of Community Affairs			81,277	-	81,277
EXECUTIVE OFFICE OF THE GOVERNOR					
Haz Mat Program FY18	31.067	18-CP-11-10-53-01-195	2,870	-	2,870
Haz Mat Program FY19	31.067	19-CP-11-10-53-01-233	4,054	-	4,054
Haz Mat Program FY20	31.067	HAT0048	3,818	-	3,818
Total Department of Agriculture & Consumer Services			10,742	-	10,742
FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION					
Direct Programs:					
St Lucie Inlet Management	37.003	18MI1	287,500	-	287,500
Hutchinson Island Shore	37.003	19MI1	2,277,919	-	2,277,919
			2,565,419	-	2,565,419
Willoughby Creek Stormwater Quality	37.039	NS035	629,217	-	629,217
			629,217	-	629,217
Small Community Wastewater Facility					
Sand and Grit Removal	37.075	SG049	58,136	-	58,136
			58,136	-	58,136
Office of Resilience and Coastal Protection					
Resilient Coastlines	37.098	R1911	75,000	-	75,000
			75,000	-	75,000
Total Florida Department of Environmental Protection			3,327,772	-	3,327,772
FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY					
Economic Development Partnership - Tourist Recovery					
- Red Tide	40.040	N/A	6,387	-	6,387
Total Department of Economic Opportunity			6,387	-	6,387
FLORIDA HOUSING FINANCE CORPORATION					
Passed through State Housing Initiative Program:					
State Housing Initiative Program (SHIP)	40.901	N/A	718,278	-	718,278
Total Florida Department of Community Affairs - Housing Finance			718,278	-	718,278
DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES					
Mosquito Control Work Program	42.003	FDACS013082	46,738	-	46,738
Total Department of Agriculture & Consumer Services			46,738	-	46,738
FLORIDA DEPARTMENT OF STATE, DIVISION OF LIBRARY AND INFORMATION					
Direct Programs:					
State Aid to Libraries	45.030	18-ST-30	8,766	-	8,766
State Aid to Libraries	45.030	19-ST-30	36,962	-	36,962
Total Florida Department of State, Division of Library and Information			45,728	-	45,728
FLORIDA DEPARTMENT OF STATE AND SECRETARY OF STATE					
Acquisition, Restoration of Historic Properties					
Old Martin County Courthouse Renovation	45.032	20.H.S.C.100.077	125,000	-	125,000
Total Department of State & Secretary of State			125,000	-	125,000

Martin County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2020

Federal Grantor/State Agency			Expenditures		
Pass Through Entity/Program Title	CFDA/ CSFA #	Grant/Contract #	County	Subrecipient	Total
FLORIDA DEPARTMENT OF TRANSPORTATION					
Transportation Disadvantaged Planning FY19-20	55.002	G1869	\$ 14,826	\$ -	\$ 14,826
Transportation Disadvantaged Planning FY20-21	55.002	G1N70	5,249	-	5,249
			20,075	-	20,075
Direct Programs:					
FDOT Runway 30/34 439888-1-94-01	55.004	439888-1-94-01	1,740	-	1,740
FDOT Airport Operations Center Phase 1	55.004	440110-1-94-01	40,752	-	40,752
FDOT Airport Security Fence	55.004	437963-1-94-01	527,270	-	527,270
FDOT RPZ Clearing	55.004	436400-1-94-01	531	-	531
FDOT Maint. Facility/Equipment Storage	55.004	442005-1-94-01	71,812	-	71,812
FDOT Sanitary Sewer Force Main	55.004	443869-1-94-01	1,720	-	1,720
FDOT Airport Helipad	55.004	444287-1-94-01	76,971	-	76,971
FDOT Airport Master Plan	55.004	433159-1-94-01	8,572	-	8,572
FDOT Airport Stormwater Improvements	55.004	440113-1-94-01	44,182	-	44,182
FDOT Rehab. Non-AIP Eligible Taxiways	55.004	441610-1-94-01	354,194	-	354,194
FDOT Airport Operations Center Phase 2	55.004	443872-1-94-01	113,673	-	113,673
			1,241,417	-	1,241,417
C-SE Cove Rd Resurfacing - SCOP	55.009		723,411	-	723,411
Indian Street Resurfacing	55.009		331,872	-	331,872
			1,055,283	-	1,055,283
Public Transit Block Grant FY15-19	55.010	AUR54	90,205	-	90,205
Public Transit Block Grant FY15-19	55.010	AUR54	244,869	-	244,869
			335,074	-	335,074
MC Treasure Coast Express	55.013	ARQ88	110,307	-	110,307
MC Treasure Coast Express - Transit Corridor	55.013	G1H93	240,308	-	240,308
			350,615	-	350,615
Total Florida Department of Transportation			3,002,464	-	3,002,464
FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES					
DCF Substance Abuse Reinvestment Grant	60.115	LHZ60	250,299	-	250,299
DCF Substance Abuse Reinvestment Grant	60.115	LHZ89	96,334	-	96,334
Total Department of Children and Families			346,633	-	346,633
FLORIDA DEPARTMENT OF HEALTH, BUREAU OF EMERGENCY MEDICAL					
Direct Programs:					
Emergency Medical Services Trust Fund	64.003	C80XX	18,115	-	18,115
Emergency Medical Services Matching Grant	64.003	M8050	13,287	-	13,287
Total Florida Department of Health, Bureau of Emergency Medical			31,402	-	31,402
STATE OF FLORIDA DEPARTMENT OF LAW ENFORCEMENT					
Office of Criminal Justice					
Crisis Response Unit	71.025	2019-SFA-GAA-43-5P-005	134,957	-	134,957
Total Florida Department of Law Enforcement			134,957		134,957
DEPARTMENT OF MANAGEMENT SERVICES					
E911 Rapid SOS Integration	72.003	S13-19-06-08	2,944	-	2,944
Total Department of Management Services			2,944	-	2,944
FLORIDA FISH AND WILDLIFE CONSERVATION COMMISSION					
Florida Boating Improvement Program					
Jensen Beach Mooring Field	77.006	FFWC #18079	275,000	-	275,000
Total Florida Fish and Wildlife			275,000		275,000
Total Expenditures of State Financial Assistance			\$ 8,155,322	\$ -	\$ 8,155,322

MARTIN COUNTY, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year Ended September 30, 2020

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the grant activity of federal award programs and state financial assistance projects of Martin County, Florida (the County) for the fiscal year ended September 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, *Rules of the Auditor General*. Because the Schedule presents only a select portion of the activities of the County, it is not intended to, and does not, present the total expenditures of the County.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This Schedule is presented using the modified accrual basis of accounting for expenditures accounted for in governmental type funds and on the accrual basis of accounting for expenses of the proprietary fund types. Such expenditures/expenses are recognized following the cost principles contained in the Uniform Guidance, *Cost Principles for State, Local, and Indian Tribal Governments*, whereas certain types of expenditures/expenses are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE ELECTION

The County did not elect to use the de minimis rate of 10% for determining indirect cost amounts for its federal programs.



**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 Board of County Commissioners
Martin County, 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, the business-type activity, each major fund, and the aggregate remaining fund information of Martin County, Florida (the County) as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 30, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Honorable Board of County Commissioners
Martin County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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*.

We noted certain other matters that we reported to County management in a separate letter dated March 30, 2021.

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
March 30, 2021



Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL
OVER COMPLIANCE; REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE
UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Honorable Board of County Commissioners
Martin County, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the compliance of Martin County, Florida (the County) with the types of compliance requirements described in the OMB *Compliance Supplement* and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs and state projects for the fiscal year ended September 30, 2020. The County's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and the Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the fiscal year ended September 30, 2020.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to in the first paragraph. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*

We have audited the financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the County as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 30, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis, as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the basic financial statements.

Honorable Board of County Commissioners
Martin County, Florida

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General (Cont.)*

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 Schedule of Expenditures of Federal Awards and State Financial Assistance is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

MSL, P.A.

Certified Public Accountants

Orlando, Florida

April 30, 2021, except for our report on the Schedule of
Expenditures of Federal Awards and State Financial Assistance,
for which the date is March 30, 2021

MARTIN COUNTY, FLORIDA
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2019

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued:

Unmodified Opinion

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified? ___ Yes X None reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards and State Financial Assistance

Internal control over major programs/projects:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified? ___ Yes X None reported

Type of report issued on compliance for major federal programs and major state projects:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) of the Uniform Guidance or Chapter 10.557, *Rules of the Auditor General*?

___ Yes X No

Identification of Major Federal Programs and Major State Projects:

CFDA Numbers

Name of Federal Programs

20.205 Highway Planning and Construction
 97.083 Staffing for Adequate Fire and Emergency Response (SAFER)

CSFA Numbers

Name of State Projects

37.039 Statewide Surface Water Restoration and Wastewater Projects
 40.901 State Housing Initiatives Partnership (SHIP)
 55.004 Aviation Grant Programs

Dollar threshold used to distinguish between

Type A and Type B programs: Federal \$750,000

State \$750,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?

 X Yes ___ No

MARTIN COUNTY, FLORIDA
Schedule of Findings and Questioned Costs (*Continued*)
For the Year Ended September 30, 2019

SECTION II - FINANCIAL STATEMENT FINDINGS

None Reported.

SECTION III - FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS SECTION

None Reported.

SECTION IV - PRIOR-YEAR AUDIT FINDINGS

None Reported.



Certified Public Accountants

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Board of County Commissioners
Martin County, Florida

Report on the Financial Statements

We have audited the basic financial statements of Martin County, Florida (the County) as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 30, 2021.

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and the Audit Requirements for Federal Awards* (Uniform Guidance); 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*, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance and Chapter 10.550, *Rules of the Auditor General*, Schedule of Findings and Questioned Costs, 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 should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address the finding and recommendation 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 Note 1 of the County's financial statements.

Honorable Board of County Commissioners
Martin County, Florida

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 County has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the County 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 County's financial condition, and our financial condition assessment was based, in part, on representations made by management and the review of financial information provided by same.

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

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

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, County Commission, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

MSL, P.A.

Certified Public Accountants

Orlando, Florida

March 30, 2021, except for the Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance for which the date is April 30, 2021



INDEPENDENT ACCOUNTANT'S REPORT

Honorable Board of County Commissioners
Martin County, Florida

We have examined the compliance of Martin County, Florida (the County) with the requirements of Section 218.415, 365.172(10), and 365.173(2)(d), Florida Statutes, during the fiscal year ended September 30, 2020. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County'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 County is in accordance with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the County's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of 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. Our examination does not provide a legal determination on the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2020.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
March 30, 2021



Carolyn Timmann
Clerk of the Circuit Court & Comptroller
Martin County, Florida

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Carolyn Timmann, Martin County Clerk of the Circuit Court and Comptroller, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of Martin County, Florida which is a local governmental entity of the State of Florida;
2. Martin County, Florida has not implemented any new impact fees for FY2020; and
3. Martin County, Florida has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Carolyn Timmann
Martin County Clerk of the Circuit Court and
Comptroller

STATE OF FLORIDA
COUNTY OF MARTIN

SWORN TO AND SUBSCRIBED before me this 6th day of August, 2021.

NOTARY PUBLIC

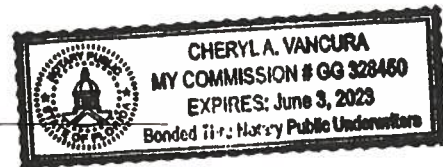
Print Name Cheryl A Vancura

Personally known X or produced identification _____

Type of identification produced: _____

My Commission Expires:

June 3, 2023



**MARTIN COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2020



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Martin County, Florida
Clerk of the Circuit Court
For the Year Ended September 30, 2020

CONTENTS

	PAGE
Independent Auditor's Report.....	1
Special-Purpose Balance Sheet - Governmental Funds.....	3
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	4
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund.....	5
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Public Records Modernization Trust Fund.....	6
Special-Purpose Statement of Fiduciary Net Position - Agency Funds.....	7
Notes to Special-Purpose Financial Statements.....	8
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.....	19
Independent Auditor's Management Letter.....	21
Independent Accountant's Report.....	23



INDEPENDENT AUDITOR'S REPORT

To the Honorable Carolyn Timmann,
Clerk of the Circuit Court and
Comptroller of Martin County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Clerk of the Circuit Court and Comptroller of Martin County, Florida (the "Clerk") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

To the Honorable Carolyn Timmann,
Clerk of the Circuit Court and
Comptroller of Martin County, Florida

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the Clerk as of September 30, 2020, and the respective change in financial position, and the budgetary comparison for the general fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

As described in Note 1 to the financial statements, the accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(3), *Rules of the Auditor General for Local Governmental Entity Audits*. These financial statements are not intended to be a complete presentation of the financial position of Martin County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2021, on our consideration of the Clerk'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Orlando, Florida

January 7, 2021

**Martin County, Florida
Clerk of the Circuit Court
Special-Purpose Balance Sheet
Governmental Funds
September 30, 2020**

	General	Public Records Modernization	Nonmajor Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 750,278	\$ 706,752	\$ -	\$ 1,457,030
Investments	177,348	365,431	-	542,779
Accounts receivable	27	-	-	27
Due from other county agencies	63,613	31,676	-	95,289
Due from other governmental agencies	27,387	-	-	27,387
Inventories	366	-	-	366
Prepaid items	1,550	-	-	1,550
Total assets	1,020,569	1,103,859	-	2,124,428
LIABILITIES				
Accounts payable	97,249	25,300	-	122,549
Accrued wages payable	279,790	-	-	279,790
Due to Board of County Commissioners	88,203	-	-	88,203
Due to other governmental agencies	100,771	-	-	100,771
Deposits and other liabilities	2,505	-	-	2,505
Total liabilities	568,518	25,300	-	593,818
FUND BALANCES				
Nonspendable:				
Inventories	366	-	-	366
Prepaid items	1,550	-	-	1,550
Restricted for:				
Court operations	451,594	1,078,559	-	1,530,153
Unassigned:	(1,459)	-	-	(1,459)
Total fund balances	452,051	1,078,559	-	1,530,610
Total liabilities and fund balances	\$ 1,020,569	\$ 1,103,859	\$ -	\$ 2,124,428

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

Martin County, Florida
Clerk of the Circuit Court
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2020

	General	Public Records Modernization	Nonmajor Other Governmental Funds	Total Governmental Funds
REVENUES				
Intergovernmental revenues	\$ 378,383	\$ -	\$ -	\$ 378,383
Charges for services	3,139,296	487,035	-	3,626,331
Fines and forfeitures	1,112,683	-	-	1,112,683
Interest income	12,328	-	-	12,328
Miscellaneous revenues	174,820	-	-	174,820
Total revenues	<u>4,817,510</u>	<u>487,035</u>	<u>-</u>	<u>5,304,545</u>
EXPENDITURES				
Current:				
General government	6,620,034	31,676	360	6,652,070
Capital outlay	151,927	-	-	151,927
Total expenditures	<u>6,771,961</u>	<u>31,676</u>	<u>360</u>	<u>6,803,997</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,954,451)</u>	<u>455,359</u>	<u>(360)</u>	<u>(1,499,452)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,842,894	31,676	-	1,874,570
Transfers out	(5,873)	-	-	(5,873)
Net change in fund balances	<u>(117,430)</u>	<u>487,035</u>	<u>(360)</u>	<u>369,245</u>
Fund balances - beginning	<u>569,481</u>	<u>591,524</u>	<u>360</u>	<u>1,161,365</u>
Fund balances - ending	<u>\$ 452,051</u>	<u>\$ 1,078,559</u>	<u>\$ -</u>	<u>\$ 1,530,610</u>

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

Martin County, Florida
Clerk of the Circuit Court
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
General Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ 463,633	\$ 318,723	\$ 378,383	\$ 59,660
Charges for services	3,348,581	3,348,581	3,139,296	(209,285)
Fines and forfeitures	1,277,979	1,277,979	1,112,683	(165,296)
Interest income	17,313	17,313	12,328	(4,985)
Miscellaneous revenues	60,323	60,323	174,820	114,497
Total revenues	5,167,829	5,022,919	4,817,510	(205,409)
EXPENDITURES				
Current:				
General government	6,695,253	6,704,488	6,620,034	84,454
Capital outlay	-	151,926	151,927	(1)
Total expenditures	6,695,253	6,856,414	6,771,961	84,453
Deficiency of revenues under expenditures	(1,527,424)	(1,833,495)	(1,954,451)	(120,956)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,682,833	1,682,833	1,842,894	160,061
Transfers out	-	-	(5,873)	(5,873)
Reserves	(10,499)	(10,499)	-	10,499
Total other financing sources (uses)	1,672,334	1,672,334	1,837,021	164,687
Net change in fund balance	144,910	(161,161)	(117,430)	\$ 43,731
Fund balance - beginning	-	161,161	569,481	
Fund balance - ending	\$ 144,910	\$ -	\$ 452,051	

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

**Martin County, Florida
Clerk of the Circuit Court
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Public Records Modernization Trust Fund
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 363,982	\$ 363,982	\$ 487,035	\$ 123,053
EXPENDITURES				
Current:				
General government	137,251	137,251	31,676	105,575
Excess of revenues over expenditures	226,731	226,731	455,359	228,628
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers in	-	-	31,676	31,676
Transfers out				
Reserves	(1,026,731)	(1,026,731)	-	1,026,731
Total other financing sources (uses)	(1,026,731)	(1,026,731)	31,676	1,058,407
Net change in fund balance	(800,000)	(800,000)	487,035	\$ 1,255,359
Fund balance, beginning	800,000	800,000	591,524	
Fund balance, ending	\$ -	\$ -	\$ 1,078,559	

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

**Martin County, Florida
Clerk of the Circuit Court
Special-Purpose Statement of Fiduciary Net Position
Agency Funds
September 30, 2020**

ASSETS

Cash and cash equivalents	\$	4,065,292
Investments		<u>183,334</u>
Total assets	\$	<u><u>4,248,626</u></u>

LIABILITIES

Due to other governmental agencies	\$	364,259
Deposits from individuals and corporations		<u>3,884,367</u>
Total liabilities	\$	<u><u>4,248,626</u></u>

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

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

Note 1 - Summary of Significant Accounting Policies

The significant accounting policies followed by the Clerk of the Circuit Court of Martin County, Florida (the “Clerk”) are summarized below:

A. General Information

Martin County (the “County”) is a political subdivision of the State of Florida (the “State”). The County operates as a non-charter government pursuant to Article VIII, Section (1) (f) of the Constitution of the State of Florida. The fiscal year of the County is from October 1 to September 30, as established in Section 218.33, Florida Statutes.

B. Reporting Entity and Financial Statement Presentation

The Clerk is a separately elected county official established pursuant to the Constitution of the State of Florida. The Clerk’s special-purpose financial statements do not purport to reflect the financial position or the results of operations of the County taken as a whole.

Entity status for financial reporting purposes is governed by the Governmental Accounting Standards Board’s (“GASB”) Codification Section 2100 “Defining the Financial Reporting Entity.” Although the Clerk’s Office is operationally autonomous from the County, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Clerk is reported as a part of the primary government of Martin County, Florida.

The Clerk’s special-purpose financial statements are prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*, which require the Clerk to only present fund financial statements. In conformity with the Rules, the Clerk has not presented the government-wide financial statements, related disclosures or management’s discussion and analysis, which are required to present a complete presentation of its financial position and changes in financial position.

These financial statements are not intended to be a complete presentation of the financial position of the Clerk or Martin County, Florida as of September 30, 2020, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

C. Fund Accounting

The accounting records of the Clerk are organized on the basis of funds as prescribed by accounting principles generally accepted in the United States of America (“GAAP”) applicable to governments as established by the GASB. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Separate funds are maintained to account for specific government activities or to comply with special regulations or legal restrictions. Fund financial statements report detailed information about the Clerk. The focus of governmental fund financial statements is on a major fund rather than reporting funds by type. Each major fund is reported in a separate column. The various types and funds used by the Clerk are described as follows:

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

Major Funds

General Fund – This fund is used to account for all financial activity of the Clerk not accounted for in other funds. Revenue is derived primarily from intergovernmental revenue and charges for services. With the implementation of Revision 7 to Article V on July 1, 2004, the Clerk's activities are now classified as court-related and non-court-related. The Clerk's non court-related General Fund activity is funded through service charges for recording instruments and documents into the official records. Additionally, the Clerk to the Board operations are funded through the collection of ad valorem taxes by the Martin County Board of Commissioners, which is reported in the General Fund as transfers in. Excess revenues at the end of the year, that are required to be returned to the Martin County Board of County Commissioners, are reported as transfers out in the General Fund.

Court related activities are funded by the State in the form of fees charged by the Clerk for maintaining the County and Circuit Court records, and collecting the fines and fees assessed by the courts. These court fees are restricted and are to be used exclusively for funding court-related operations. Court-related activities are tracked and recorded in a sub-fund within the Clerk's General Fund. In FY14 the court's fiscal year was transitioned to match the county's fiscal year. Any unexpended court- related funds as of September 30 are due to the State by the 25th of January and are recorded as a liability to the Florida Department of Revenue. For FY20, the County is due \$52,171 from the Florida Department of Revenue, recorded as an asset. Court related fund balance as of September 30 is reported as Restricted for Court Operations.

Public Records Modernization Fund – This fund is a special revenue fund and is used to account for proceeds from recording fees and from 10% of court related fines collected by the Clerk to be used for modernization of the Clerk of the Circuit Court's public records systems and to support the operations of the Clerk of the Circuit Court. Fund Balances for Public Records Modernization Trust Fund is reported as Restricted for Court Operations.

Non-major Other Governmental Fund

Circuit & Family Mediation Fund – This fund is a special revenue fund and is used to account for proceeds from mediation and arbitration fees to be used to fund operations of the Nineteenth Judicial Circuit's Mediation/Arbitration Program and to pay for the cost of court appointed mediators for indigent parties in family court. Fund Balances for Circuit and Family Mediation Fund is reported as Restricted for Court Operations.

Agency Funds

These funds are used to account for assets of a governmental unit in the capacity of a trustee or agent for individuals, private organizations, other funds or other governmental units. The Clerk's agency funds are: Court Fund, Fines and Forfeitures Fund, Support Fund, Registry Fund, Tax Redemption Fund, Documentary Stamp Fund, Intangible Tax Fund, Jury and Witness Fund, Escrow Fund, Online Auction Fund, and Cash and Surety Bonds Fund.

D. Measurement Focus and Basis of Accounting

The governmental fund type measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination.

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

These funds are maintained on the modified accrual basis of accounting. Revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the current period. For this purpose the Clerk considers revenue to be available if they are collected within 60 days after the end of the current fiscal period with the exception of certain grants, which have a period of 1 year after the end of the current fiscal period. Expenditures are recorded in the accounting period in which the related fund liability is incurred, if measurable. Exceptions to this general rule include accumulated sick and vacation, claims and judgments, pension, and Other Postemployment Benefits (OPEB). Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities.

In applying the "susceptible to accrual" concept to intergovernmental revenues (grants, entitlements and shared revenue), the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental revenues are susceptible to accrual when the eligibility requirements have been met and the revenue is available as defined above.

Charges for services and miscellaneous revenues are recorded as revenues when received in cash, because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Agency funds do not measure results of operations, but assets and liabilities are measured on the accrual basis of accounting. These funds are used to account for assets held by the Clerk as trustee or agent for individuals and/or other governmental units.

E. Budgets

The budget for the Clerk is prepared, adopted and amended in accordance with Chapter 129, Florida Statutes. The budget is balanced, meaning that total appropriations are equal to total revenues. The budgets for the General Fund and the Public Records Modernization Trust Fund are prepared on a basis consistent with GAAP.

The Clerk to Board budget process begins with the development of estimates by the Clerk. The estimates are reviewed, analyzed and submitted to the Martin County Board of County Commissioners (the "Board") for consideration on or about July 15.

The Board conducts several workshops to thoroughly review the budget and make adjustments as appropriate. Prior to September 30, two public hearings are conducted to hear comments and questions from the public regarding the non-court-related budget. The budget is adopted at the second public hearing through formal resolution of the Board.

The Florida Clerks of the Court are required to follow a budget procedure for the court-related functions they perform pursuant to s. 28.36 F.S. The law requires that the proposed court-related budget be prepared, summarized and submitted to the Clerk of Courts Operations Corporation (the "Corporation"). Effective July 1, 2013, the Clerk's court-related budget was transitioned from the State fiscal year to the County fiscal year for funding. The budget for the 2020 fiscal year was due to the Corporation by June 1, 2019.

Budgets are adopted at the fund total level. Therefore, formal budgetary control is exercised at that level. Expenditures in excess of appropriations in one or more departments of a fund do not constitute a violation of budgetary controls as long as the total expenditures do not exceed total appropriations for the fund. Management

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

employs lower level (departmental) controls, however, to prevent or reduce the potential for budget overruns at the fund total level.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted for all reserves, transfers, allocations, supplemental appropriations and other legally authorized changes applicable to the fiscal year when signed into law or otherwise legally authorized.

F. Cash and Cash Equivalents

For purposes of these statements, demand deposits and petty cash and short-term investments with original maturities of three months or less from date of acquisition are considered to be cash and cash equivalents. Investments in external investment pools, including the Local Government Surplus Funds Trust and Florida Local Government Investment Trust, as well as the interest bearing savings account at Valley National Bank, are considered to be investments.

G. Investments

GASB 72 requires the Clerk to use valuation techniques which are appropriate under the circumstances. Fair value is defined by GASB 72, 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 Clerk's investment in Florida PRIME is reported at amortized cost.

H. Due from Other County and Governmental Agencies

Due from other county and governmental agencies are recorded net of allowances for bad debts. Management has determined that allowances are not deemed to be necessary at September 30, 2020.

I. Capital Assets

Upon acquisition, capital assets are recorded as capital outlay expenditures of the appropriate governmental fund in these special-purpose financial statements. The Clerk maintains custodial responsibility for the capital assets used by her office; however, they are recorded in the financial statements of the County.

In the governmental activities section of the County's government-wide financial statements all capital assets with a cost of \$5,000 or greater and an estimated life of more than one year are capitalized and recorded at historical cost or estimated historical cost, if actual historical cost is not available.

Donated capital assets are recorded at their estimated acquisition value on the date donated. No depreciation has been provided on capital assets in these special-purpose financial statements, however, depreciation expense is recorded in the government-wide financial statements of the County.

J. Compensated Absences

It is the policy of the Clerk to permit employees to accumulate a limited amount of earned but unused paid leave time, which will be paid to employees upon separation from service. The Clerk of the Circuit Court does not, and is not legally required, to accumulate expendable available financial resources to liquidate this obligation.

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

Accordingly, the liability for compensated absences is not reported in the special-purpose financial statements, but rather is reported as a liability in the government-wide financial statements of the County.

K. Deposits and Other Liabilities

Estreated surety bonds are reported as deposits - the estreated surety bonds on deposit may be held for two years or longer, pending case disposition and directives of the court and will be eventually recognized as revenue to be used in court operations, or refunded to the bail bondsman who was the depositor.

L. Use of Estimates

The preparation of special-purpose financial statements in conformity with GAAP 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 special-purpose financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

M. Transfers In

In accordance with Florida Statutes, the Board is required to fund certain operations of the Clerk. These County appropriations are reported as transfers in and totaled \$1,874,570.

N. Transfers out

In accordance with Florida Statutes, all revenues in excess of expenditures for all non-court-related items at September 30, 2020, are due to the Board. All revenues in excess of appropriated budget authority for court related items through September 30, 2020, are due to the Florida Department of Revenue. Excess revenues for non-court-related activities are reported as a transfer out in the accompanying Special-Purpose Statement of Revenues, Expenditures, and Changes in Fund Balances. Revenues in excess of expenditures transferred out and due to the Board as of September 30, 2020, were \$5,873.

O. Fund Balance

In accordance with GASB Statement No. 54, fund balances of the governmental funds of the Clerk are classified as nonspendable, assigned and restricted. Nonspendable fund balances include amounts that cannot be spent because they are not spendable in form (Inventories \$366 and Prepaid items \$1,550). The restricted classification included amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. For this fiscal year, the Clerk is reporting \$1,530,153 as restricted fund balance for court operations. Unassigned fund balance is the residual classification of the government's general fund and includes all spendable amounts not contained in other classifications; this fiscal year the Clerk is reporting a residual classification of unassigned fund balance in the amount of (\$1,459).

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

Note 2 - Cash and Cash Equivalents and Investments

Cash and cash equivalents

Cash and cash equivalents (including fiduciary funds) consist of the following:

Demand deposits	\$ 5,517,947
Petty cash	4,375
	<u>\$ 5,552,322</u>

Deposits whose values exceed the limits of federal depository insurance are entirely insured or collateralized pursuant to Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*, (the Act). Under this Act, Florida's Chief Financial Officer shall determine the collateral requirements and the collateral pledging level for each qualified public depository in order to protect the integrity of the public deposits program. The Public Deposit Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All Clerk depositories at year-end were designated as qualified public depositories. The bank balance as of September 30, 2020, was \$6,127,728.

Cash Equivalents consist of amounts invested in Florida PRIME, the Florida Local Government Investment Trust (FLGIT) Day-to-Day Fund, and Valley National Bank. Florida PRIME and FLGIT are external investment pools that are not registered with the Securities Exchange Commission (SEC), but do operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows funds to use amortized cost to maintain a constant net asset value (NAV) of \$1.00 per share. Accordingly, the Clerk's investments in both Florida PRIME and FLGIT are reported at the amortized cost. There are no restrictions or fees to withdraw from either of these pools. The investment at Valley National Bank is an interest bearing savings account as a Qualified Public Depository (QPD).

Investments

The Clerk utilizes Florida Statutes section 218.415 as its investment policy. Florida Statutes authorize investments in the Local Government Surplus Trust Fund or other intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in 163.01, Florida Statutes; Securities and Exchange Commission registered money market funds with credit rating interest bearing time deposits or savings accounts in qualified public depositories as defined in 280.02, Florida Statutes; direct obligations of the U.S. Treasury.

The Clerk's investments at September 30, 2020, consisted of investments with the State Board of Administration's Investment Pool (the "Florida PRIME"), the Florida Local Government Investment Trust's Day to Day Fund (the "Day to Day Fund"), and QPD Valley National Bank. The Florida PRIME is rated by Standard and Poor's, with a current rating of AAAM. The Day to Day Fund is rated by Fitch, with a current rating of AAA. At September 30, 2020, the weighted average day to maturity (WAM) was 39 days for the Florida PRIME and 30 days for the Day to Day Fund.

At September 30, 2020, the Clerk's office had an amortized cost basis of \$726,113 in investments, including \$141,139 with the State Board of Administration, \$55,648 with the Florida Local Government Investment Trust's Day to Day Fund, and \$529,326 with QPD Valley National Bank. The net asset value of these investments presented on the special-purpose financial statements was \$726,113.

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration, <https://www.sbafla.com/prime>. Additional information for the Day to Day Fund may be obtained at <http://www.floridatrustonline.com/reports>.

Note 3 - Long-Term Liabilities

Changes in long-term liabilities for the year ended September 30, 2020, were as follows:

	Beginning 10/01/19	Additions	Reductions	Ending 09/30/20
Compensated absences	\$ 310,012	\$ 365,123	\$ (300,508)	\$ 374,627

The long-term liabilities are not reported in the special-purpose financial statements of the Clerk since they are not payable from available, spendable resources. They are reported in the government-wide financial statements of the County.

Note 4 – Budget Versus Actual Revenue and Expenditures

The General Fund reported an unfavorable variance of \$205,409 in revenues in relation to budgeted revenues and a favorable variance of \$84,453 in operating expenditures in relation to budgeted expenditures. These resulted in an overall net unfavorable variance of \$120,956. In addition, the Public Records Modernization Trust Fund reported a favorable variance of \$123,053 in revenue and a favorable variance of \$105,575 in expenditures in relation to budgeted revenues and expenditures, resulting in a net favorable variance of \$228,628 for the fiscal year.

Note 5 – Retirement Plan

The Clerk participates in the Florida Retirement System and provides retirement benefits to employees through the following plans:

Plan Descriptions

The **Florida Retirement System (FRS) Pension Plan** and the **Retiree Health Insurance Subsidy (HIS) Program** are cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement. The FRS Pension Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. These benefits are established by Chapter 121, Florida Statutes, and may only be amended by the Florida legislature.

The HIS Program benefit is a monthly payment to assist retirees of the State-administered retirement systems in paying their health insurance costs. The HIS Program was established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time.

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

A comprehensive annual financial report including financial information and required supplementary information on both plans is publicly available on the web site of the Florida Department of Management Services (<http://www.dms.myflorida.com>).

The Clerk contributes to the **Florida Retirement System Investment Plan (Investment Plan)**, a defined contribution plan, for its eligible employees who elect to participate in the Investment Plan in lieu of participating in the FRS Pension Plan. As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of FRS defined-benefit plan. Clerk employees participating in the DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.) as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

The Investment Plan is administered by the State Board of Administration (SBA), and is reported in the SBA's annual financial statements and in the State of Florida's comprehensive annual financial report. Financial information on this plan is available on the web at <http://www.sbafla.com/>.

FRS and HIS Contributions

The Clerk's employer contributions to both plans totaled \$438,553 for the fiscal year ended September 30, 2020. The Clerk contributed 100 percent of its statutorily required contributions for the current and preceding two years for both plans.

Net Pension Liability

For financial reporting purposes, the Clerk is deemed to be part of the primary government of Martin County, Florida. A liability related to the Clerk's proportionate share of the aggregate net pension liability for both plans will be reported in the financial statements of the County for fiscal year ended September 30, 2020. Balances related to the net pension liability, deferred outflows, deferred inflows, and pension expenses are reported in the governmental activities column of the Statement of Net Position and the Statement of Activities as part of the basic financial statements of the County.

FLORIDA RETIREMENT SYSTEM (FRS) PENSION PLAN

Benefits Provided

The Florida Retirement System was created on December 1, 1970. Members enrolled in the FRS and actively employed on July 1, 2001, or first enrolled between July 1, 2001, and June 30, 2011, will be vested, or eligible to receive future benefits after 6 years of creditable service. Participants first enrolled on or after July 1, 2011, will be vested, or eligible to receive future benefits after 8 years of creditable service. Retirement, disability, and death benefits are based on age, average final compensation and years-of-service credit. For members initially enrolled in the FRS before July 1, 2011, average final compensation is the average of the five highest fiscal years of salary earned during covered employment. For members initially enrolled in the FRS on or after July 1, 2011, average final compensation is the average of the eight highest fiscal years of salary earned during covered employment.

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

Members are eligible for normal retirement when they have met the minimum requirements established by their membership class. For members initially enrolled in the FRS before July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 62 or if they have 30 years of creditable service regardless of age. For members initially enrolled in the FRS on or after July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 65 or if they have 33 years of creditable service regardless of age. Early retirement may be taken any time after vesting. However, there is a 5% reduction of benefits for each year prior to normal retirement age or date. The percentage level of employees' payroll contribution rates is determined using the frozen entry age actuarial cost method.

Beginning July 1, 1998, the FRS implemented the Deferred Retirement Option Program (DROP), which is a program within the FRS Pension Plan that allows members to retire without terminating their employment for up to five years while their retirement benefits accumulate and earn interest compounded monthly at a stated effective annual rate. For members who entered DROP prior to July 1, 2011, the rate is 6.5%. For members who enter DROP on or after July 1, 2011, the rate is 1.3%. Members may participate in DROP when they are vested and have reached their normal retirement date. When the DROP period ends, members must terminate employment. At that time, members will receive their accumulated DROP benefits and begin receiving their monthly retirement benefit.

The FRS was amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution plan is known as the FRS Investment Plan, which is described later in this note.

Contributions

The following membership classes and contribution rates, which apply to both the FRS Pension Plan and the FRS Investment Plan, were in effect at September 30, 2020:

<u>Membership Class</u>	<u>Employee</u>	<u>Employer</u>
	<u>Contribution</u>	<u>Contribution</u>
	<u>Rate</u>	<u>Rate*</u>
Regular	3.00%	10.00%
Special Risk	3.00%	24.45%
State Attorney/Public Defender	3.00%	58.91%
County, City, Special District Elected Officers	3.00%	49.18%
Special Risk Administrative Support	3.00%	35.84%
Senior Management	3.00%	27.29%
Deferred Retirement Option Program	N/A	16.98%

*Employer contribution rates in the above table include a 1.66% contribution for the Retiree Health Insurance Subsidy Program.

RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM

Benefits Provided

For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 per month and a maximum HIS payment of \$150 per month. To be eligible to receive a HIS Plan benefit, a retiree

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Program is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2020, the contribution rate was 1.66 percent of payroll. The Clerk contributed 100 percent of its statutorily required contributions for the current and preceding three years. The HIS Program contributions are deposited in a separate trust fund from which payments are authorized. The HIS Program benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

FLORIDA RETIREMENT SYSTEM INVESTMENT PLAN

Vesting Provisions

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds.

Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

For more detailed information on these plans, please refer to the Retirement Note in the County's Comprehensive Annual Financial Report (CAFR).

Note 6 - Other Postemployment Benefits

In addition to the retirement system described in Note 4, the Clerk provides postretirement health care benefits, in accordance with state statutes, to all employees who retire from the Clerk after vesting with the retirement system. Currently, thirty-five retirees meet those eligibility requirements. Retired employees of the Clerk of the Circuit Court hired prior to October 13, 2009, who retire after 30 years of service, or after the age of 55, with ten years of credited service with the County and who were participants in the existing medical plan at the time of retirement, are entitled to participation in the County administered single-employer defined benefit healthcare plan. For these retirees, the Agency subsidizes 75% of the cost of health care coverage for the retiree. The retiree may choose family coverage, but would have to pay the difference in premium cost. Once employees become eligible for Medicare all subsidies from the Clerk end. Employees who were hired on or after October 13, 2009, are not

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

eligible for post-retirement health care benefits. Expenditures for postretirement health care benefits are recognized as premiums are paid. During the year, expenditures of \$122,514 were recognized for postretirement health care.

The Clerk's total OPEB liability is reported within the governmental activities column of the County's Statement of Net Position. Further information about OPEB is available in the County's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2020.

Note 7 – Risk Management

The Clerk is exposed to various risks of loss related to tort; theft of, damage to, and to destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk participates in the Self-Insurance program of the County. The coverage for employee health, property, general liability, automobile liability, workers' compensation, and public employee bond and comprehensive crime loss is covered through a comprehensive property and liability risk management program reported in the Self-Insurance Fund of the County. The County is part of the Tri-County Risk Management Program, which is a public entity risk pool. The program is a self-insurance program whereby the County makes annual contributions along with the other members of the program. The County is subject to a special assessment in the event of a deficiency, except to the extent that the deficiency results from a specific claim against a member in excess of the reinsurance available; such a deficiency is solely the responsibility of that member.

The program is reported by the County as an Internal Service Fund. The Clerk makes annual contributions to the County self-insurance fund based on amounts determined by the Board of County Commissioners. Such contributions were \$1,008,821 during the fiscal year ended September 30, 2020, and are included as expenditures in the accompanying special-purpose financial statements. As of September 30, 2020, there have been no special assessments. Settlements have not exceeded coverage for each of the past three fiscal years.

Note 8 - Contingencies

Grant funds received by the Clerk are subject to audit by grantor agencies. Audits of these grants may result in disallowed costs, which may constitute a liability of the Clerk. In the opinion of management, disallowed costs, if any, would be immaterial to the financial position of the Clerk.



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

To the Honorable Carolyn Timmann,
Clerk of the Circuit Court and
Comptroller of Martin County, 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 Clerk of the Circuit Court and Comptroller of Martin County, Florida (the "Clerk") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements and have issued our report thereon dated January 7, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Clerk'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 Clerk's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk'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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Honorable Carolyn Timmann,
Clerk of the Circuit Court and
Comptroller of Martin County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the Clerk in a separate management letter and Independent Accountant's Report dated January 7, 2021.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
January 7, 2021



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable Carolyn Timmann,
Clerk of the Circuit Court and
Comptroller of Martin County, Florida

Report on the Financial Statements

We have audited the financial statements of the Clerk of the Circuit Court and Comptroller of Martin County, Florida (the "Clerk") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated January 7, 2021.

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 Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated January 7, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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.

To the Honorable Carolyn Timmann,
Clerk of the Circuit Court and
Comptroller of Martin County, Florida

Financial Management

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.

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 Clerk, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
January 7, 2021



INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Carolyn Timmann,
Clerk of the Circuit Court and
Comptroller of Martin County, Florida

We have examined the Clerk of the Circuit Court and Comptroller of Martin County, Florida's (the "Clerk") compliance with the requirements of Sections 28.35, 28.36, 61.181, and 218.415, Florida Statutes, during the fiscal year ended September 30, 2020. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk'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 Clerk is in accordance with those requirements. An examination involves performing procedures to obtain evidence about the Clerk's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of 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. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2020.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
January 7, 2021

**MARTIN COUNTY, FLORIDA
PROPERTY APPRAISER**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2020



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Martin County, Florida
Property Appraiser
For the Year Ended September 30, 2020

CONTENTS

	PAGE
Independent Auditor's Report.....	1
Special-Purpose Balance Sheet - General Fund.....	3
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund.....	4
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund.....	5
Notes to Special-Purpose Financial Statements.....	6
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.....	14
Independent Auditor's Management Letter.....	16
Independent Accountant's Report.....	18



INDEPENDENT AUDITOR'S REPORT

To the Honorable Laurel Kelly,
Property Appraiser of Martin County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Property Appraiser of Martin County, Florida (the "Property Appraiser") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

To the Honorable Laurel Kelly,
Property Appraiser of Martin County, Florida

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the Property Appraiser as of September 30, 2020, and the respective change in financial position, and the budgetary comparison for the general fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

As described in Note 1 to the financial statements, the accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(3), *Rules of the Auditor General for Local Governmental Entity Audits*. These financial statements are not intended to be a complete presentation of the financial position of Martin County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2020, on our consideration of the Property Appraiser'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
December 10, 2020

Martin County, Florida
Property Appraiser
Special-Purpose Balance Sheet
General Fund
September 30, 2020

ASSETS

Cash and cash equivalents	\$ 140,149

LIABILITIES

Accounts payable	9,539
Accrued wages payable	47,099
Due to Board of County Commissioners	82,076
Due to other governmental agencies	1,435
Total liabilities	140,149

FUND BALANCE

Total fund balance	-

Total liabilities and fund balance	\$ 140,149

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

Martin County, Florida
Property Appraiser
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
For the Year Ended September 30, 2020

REVENUES

Charges for services	\$ 161,837
Interest income	754
Miscellaneous revenues	99
Total revenues	<u>162,690</u>

EXPENDITURES

Current:	
General government	3,688,964
Capital outlay	141,459
Total expenditures	<u>3,830,423</u>

Deficiency of revenues under expenditures	<u>(3,667,733)</u>

OTHER FINANCING SOURCES

Transfers in	3,749,809
Transfers out	(82,076)
Total other financing sources	<u>3,667,733</u>

Net change in fund balances	-

Fund balance - beginning	<u>-</u>

Fund balance - ending	<u><u>\$ -</u></u>

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

Martin County, Florida
Property Appraiser
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
General Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 145,456	\$ 145,490	\$ 161,837	\$ 16,347
Interest income	-	-	754	754
Miscellaneous revenues	-	-	99	99
Total revenues	<u>145,456</u>	<u>145,490</u>	<u>162,690</u>	<u>17,200</u>
EXPENDITURES				
Current:				
General government	3,776,843	3,726,254	3,688,964	37,290
Capital outlay	90,000	141,459	141,459	-
Total expenditures	<u>3,866,843</u>	<u>3,867,713</u>	<u>3,830,423</u>	<u>37,290</u>
Deficiency of revenues under expenditures	<u>(3,721,387)</u>	<u>(3,722,223)</u>	<u>(3,667,733)</u>	<u>54,490</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	3,721,387	3,722,223	3,749,809	(27,586)
Transfer out	-	-	(82,076)	(82,076)
Total other financing sources (uses)	<u>3,721,387</u>	<u>3,722,223</u>	<u>3,667,733</u>	<u>(54,490)</u>
Net change in fund balances	-	-	-	<u>\$ -</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

Martin County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

Note 1 - Summary of Significant Accounting Policies

The significant accounting policies followed by the Property Appraiser of Martin County, Florida (the "Property Appraiser") are summarized below:

A. General Information

Martin County (the "County") is a political subdivision of the State of Florida. The County operates as a non-charter government pursuant to Article VIII, Section (1)(f) of the Constitution of the State of Florida. The fiscal year of the County is from October 1 to September 30, as established in Section 218.33, Florida Statutes.

B. Reporting Entity and Financial Statement Presentation

The Property Appraiser is a separately elected county official established pursuant to the Constitution of the State of Florida. The Property Appraiser's special-purpose financial statements do not purport to reflect the financial position or the results of operations of the County taken as a whole.

Entity status for financial reporting purposes is governed by the Governmental Accounting Standards Board's ("GASB") Codification Section 2100 "Defining the Financial Reporting Entity." Although the Property Appraiser's Office is operationally autonomous from the County, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Property Appraiser is reported as a part of the primary government of Martin County, Florida.

The Property Appraiser's special-purpose financial statements are prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*, which require the Property Appraiser to only present fund financial statements. In conformity with the Rules, the Property Appraiser has not presented the government-wide financial statements, related disclosures or management's discussion and analysis, which are required to present a complete presentation of its financial position and changes in financial position.

These financial statements are not intended to be a complete presentation of the financial position of the Property Appraiser or Martin County, Florida, as of September 30, 2020, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

C. Fund Accounting

The accounting records of the Property Appraiser are maintained in the general fund, a governmental fund type, as prescribed by accounting principles generally accepted in the United States of America ("GAAP") applicable to governments as established by the GASB.

D. Measurement Focus and Basis of Accounting

The governmental fund type measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination. This fund is maintained on the modified accrual basis of accounting. Revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the current period. For this purpose the Property Appraiser considers revenue to be available if collected within 60 days after the end of the current fiscal period. Expenditures are recorded in the accounting period in which the related fund

Martin County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

liability is incurred, if measurable. Exceptions to this general rule include accumulated sick and vacation, claims and judgments, pension and Other Postemployment Benefits (OPEB). Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities.

E. Budgets

The budget for the Property Appraiser is prepared, adopted and amended in accordance with Chapter 195.087, Florida Statutes. The budget is balanced, meaning that the total appropriations are equal to total revenues and transfers in from the Board of County Commissioners. The budget for the general fund is prepared on a basis consistent with GAAP.

On or before June 1 of each year, the Property Appraiser submits to the Florida Department of Revenue (the "Department") a budget for the operation of the Property Appraiser's office for the ensuing fiscal year, in the manner and form prescribed by the Department. A copy of such budget is furnished at the same time to the Martin County Board of County Commissioners (the "Board"). After the final approval of the budget by the Department, there are no amendments to the budget without the approval of the Department.

The budget is adopted at the fund total level. Therefore, formal budgetary control is exercised at that level. Expenditures in excess of appropriations in one or more departments of a fund do not constitute a violation of budgetary controls as long as the total expenditures do not exceed total appropriations for the fund. Management employs lower level (departmental) controls, however, to prevent or reduce the potential for budget overruns at the fund total level.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted for all reserves, transfers, allocations, supplemental appropriations and other legally authorized changes applicable to the fiscal year when signed into law or otherwise legally authorized.

F. Cash and Cash Equivalents

For purposes of these statements, demand deposits and petty cash and short-term investments with original maturities of three months or less from date of acquisition are considered to be cash and cash equivalents.

G. Capital Assets

Upon acquisition, capital assets are recorded as capital outlay expenditures of the appropriate governmental fund in these special-purpose financial statements. The Property Appraiser maintains custodial responsibility for the capital assets used by her office; however, they are recorded in the financial statements of the County.

In the governmental activities section of the County's government-wide financial statements all capital assets with a cost of \$5,000 or greater and an estimated life of more than one year are capitalized and recorded at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at their estimated acquisition value on the date donated. No depreciation has been provided on capital assets in these special-purpose financial statements, however, depreciation expense is recorded in the government-wide financial statements of the County.

Martin County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

H. Compensated Absences

It is the policy of the Property Appraiser to permit employees to accumulate a limited amount of earned but unused vacation benefits and sick leave, which will be paid to employees upon separation from service. The liability for compensated absences is not reported in the special-purpose financial statements, but rather is reported in the government-wide financial statements of the County.

I. Use of Estimates

The preparation of special-purpose financial statements in conformity with GAAP 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 special-purpose financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

J. Transfers In

In accordance with Florida Statutes, the Board is required to fund certain operations of the Property Appraiser. These County appropriations are reported as transfers in and totaled \$3,749,809.

K. Transfers out

In accordance with Florida Statutes, all revenues and transfers in from the Board in excess of expenditures as of year-end are owed on a pro-rata basis to the Board of County Commissioners and other governments who pay the fees in the same ratio as the fees are collected. Excess fees payable to other governments are recorded as a reduction of charges for services revenue and due to other governmental agencies. Excess fees due to the Board are reported as a transfer out in the accompanying Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance. Excess fees were \$83,511 as of September 30, 2020, of which \$82,076 was transferred out to the Board and \$1,435 was returned to other governments.

Note 2 - Cash and Cash Equivalents and Investments

Cash and cash equivalents

Cash and cash equivalents consist of demand deposits of \$139,749 and petty cash of \$400. Deposits whose values exceed the limits of federal depository insurance are entirely insured or collateralized pursuant to Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*, (the Act). Under this Act, Florida's Chief Financial Officer shall determine the collateral requirements and the collateral pledging level for each qualified public depository in order to protect the integrity of the public deposits program. The Public Deposit Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All Property Appraiser depositories at year-end were designated as qualified public depositories. The bank balance as of September 30, 2020, was \$187,626.

Martin County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

Investments

The Property Appraiser utilizes Florida Statutes Section 218.415 as its investment policy. Florida Statutes authorize investments in certificates of deposit, savings accounts, repurchase agreements, Local Government Surplus Funds Trust Funds, and obligations of the U.S. government and government agencies unconditionally guaranteed by the U.S. government.

Note 3 - Long-Term Liabilities

Changes in long-term liabilities for the year ended September 30, 2020, were as follows:

	Beginning 10/01/2019	Additions	Reductions	Ending 09/30/2020
Compensated absences	\$ <u>176,387</u>	\$ <u>195,336</u>	\$ <u>(157,285)</u>	\$ <u>214,438</u>

The long-term liabilities are not reported in the special-purpose financial statements of the Property Appraiser since they are not payable from available, spendable resources. They are reported in the Government Wide Financial Statements of the County.

Note 4 - Retirement Plan

The Property Appraiser participates in the Florida Retirement System and provides retirement benefits to employees through the following plans:

Plan Descriptions

The **Florida Retirement System (FRS) Pension Plan** and the **Retiree Health Insurance Subsidy (HIS) Program** are cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement. The FRS Pension Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. These benefits are established by Chapter 121, Florida Statutes, and may only be amended by the Florida legislature.

The HIS Program benefit is a monthly payment to assist retirees of the State-administered retirement systems in paying their health insurance costs. The HIS Program was established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time.

A comprehensive annual financial report including financial information and required supplementary information on both plans is publicly available on the web site of the Florida Department of Management Services (<http://www.dms.myflorida.com>).

The Property Appraiser contributes to the **Florida Retirement System Investment Plan (Investment Plan)**, a defined contribution plan, for its eligible employees who elect to participate in the Investment Plan in lieu of participating in the FRS Pension Plan. As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of FRS defined-benefit plan. Property Appraiser employees

Martin County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

participating in the DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.) as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. The Investment Plan is administered by the State Board of Administration (SBA), and is reported in the SBA's annual financial statements and in the State of Florida's comprehensive annual financial report. Financial information on this plan is available on the web at <http://www.sbafla.com/>.

FRS and HIS Contributions

The Property Appraiser's employer contributions to both plans totaled \$227,219 for the fiscal year ended September 30, 2020. The Property Appraiser contributed 100 percent of its statutorily required contributions for the current and preceding two years for both plans.

Net Pension Liability

For financial reporting purposes, the Property Appraiser is deemed to be part of the primary government of Martin County, Florida. A liability related to the Property Appraiser's proportionate share of the aggregate net pension liability for both plans will be reported in the financial statements of the County for fiscal year ended September 30, 2020. Balances related to the net pension liability, deferred outflows, deferred inflows, and pension expenses are reported in the governmental activities column of the Statement of Net Position and the Statement of Activities as part of the basic financial statements of the County.

FLORIDA RETIREMENT SYSTEM (FRS) PENSION PLAN

Benefits Provided

The Florida Retirement System was created on December 1, 1970. Members enrolled in the FRS and actively employed on July 1, 2001, or first enrolled between July 1, 2001 and June 30, 2011, will be vested, or eligible to receive future benefits after 6 years of creditable service. Participants first enrolled on or after July 1, 2011 will be vested, or eligible to receive future benefits after 8 years of creditable service. Retirement, disability, and death benefits are based on age, average final compensation and years-of-service credit. For members initially enrolled in the FRS before July 1, 2011, average final compensation is the average of the five highest fiscal years of salary earned during covered employment. For members initially enrolled in the FRS on or after July 1, 2011, average final compensation is the average of the eight highest fiscal years of salary earned during covered employment. Members are eligible for normal retirement when they have met the minimum requirements established by their membership class. For members initially enrolled in the FRS before July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 62 or if they have 30 years of creditable service regardless of age. For members initially enrolled in the FRS on or after July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 65 or if they have 33 years of creditable service regardless of age. Early retirement may be taken any time after vesting. However, there is a 5% reduction of benefits for each year prior to normal retirement age or date. The percentage level of employees' payroll contribution rates is determined using the frozen entry age actuarial cost method.

Martin County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

Beginning July 1, 1998, the FRS implemented the Deferred Retirement Option Program (DROP), which is a program within the FRS Pension Plan that allows members to retire without terminating their employment for up to five years while their retirement benefits accumulate and earn interest compounded monthly at a stated effective annual rate. For members who entered DROP prior to July 1, 2011, the rate is 6.5%. For members who enter DROP on or after July 1, 2011, the rate is 1.3%. Members may participate in DROP when they are vested and have reached their normal retirement date. When the DROP period ends, members must terminate employment. At that time, members will receive their accumulated DROP benefits and begin receiving their monthly retirement benefit.

The FRS was amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution plan is known as the FRS Investment Plan, which is described later in this note.

Contributions

The following membership classes and contribution rates, which apply to both the FRS Pension Plan and the FRS Investment Plan, were in effect at September 30, 2020:

<u>Membership Class</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate*</u>
Regular	3.00%	10.00%
Special Risk	3.00%	24.45%
State Attorney/Public Defender	3.00%	58.91%
County, City, Special District Elected Officers	3.00%	49.18%
Special Risk Administrative Support	3.00%	35.84%
Senior Management	3.00%	27.29%
Deferred Retirement Option Program	N/A	16.98%

*Employer contribution rates in the above table include a 1.66% contribution for the Retiree Health Insurance Subsidy Program.

RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM

Benefits Provided

For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 per month and a maximum HIS payment of \$150 per month. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Program is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2020, the contribution rate was 1.66 percent of payroll. The Property Appraiser

Martin County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

contributed 100 percent of its statutorily required contributions for the current and preceding three years. The HIS Program contributions are deposited in a separate trust fund from which payments are authorized. The HIS Program benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

FLORIDA RETIREMENT SYSTEM INVESTMENT PLAN

Vesting Provisions

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds.

Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

For more detailed information on these plans, please refer to the Retirement Note in the County's Comprehensive Annual Financial Report (CAFR).

Note 5 - Other Postemployment Benefits

In addition to the retirement system described in Note 4, the Property Appraiser provides postretirement health care benefits, in accordance with state statutes, to all employees who retire from the Property Appraiser after vesting with the retirement system. Currently, five (5) retirees meet those eligibility requirements. Retired employees of the Property Appraiser hired prior to October 13, 2009, who retire after 30 years of service, or after the age of 55, with ten years of credited service with the County and who were participants in the existing medical plan at the time of retirement, are entitled to participation in the County administered single-employer defined benefit health care plan. For these retirees, the Agency subsidizes 75% of the cost of health care coverage for the retiree. The retiree may choose family coverage, but would have to pay the difference in premium cost. Once employees become eligible for Medicare all subsidies from the Property Appraiser end. Employees who were hired on or after October 13, 2009, are not eligible for post-retirement health care benefits. Expenditures for postretirement health care benefits are recognized as premiums are paid. During the year, expenditures of \$21,744 were recognized for postretirement health care.

Martin County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

The Property Appraiser's total OPEB liability is reported within the governmental activities column of the County's Statement of Net Position. Further information about OPEB is available in the County's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2020.

Note 6 – Risk Management

The Property Appraiser is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Property Appraiser participates in the Self-Insurance program of the County. The coverage for employee health, property, general liability, automobile liability, workers' compensation, and public employee bond and comprehensive crime loss is covered through a comprehensive property and liability risk management program reported in the Self-Insurance Fund of the County. The County is part of the Tri-County Risk Management Program, which is a public entity risk pool. The program is a self-insurance program whereby the County makes annual contributions along with the other members of the program. The County is subject to a special assessment in the event of a deficiency, except to the extent that the deficiency results from a specific claim against a member in excess of the reinsurance available; such a deficiency is solely the responsibility of that member. The program is reported by the County as an Internal Service Fund. The Property Appraiser makes annual contributions to the County self-insurance fund based on amounts determined by the Board of County Commissioners. Such contributions were \$498,272 during the fiscal year ended September 30, 2020, and are included as expenditures in the accompanying special-purpose financial statements. As of September 30, 2020, there have been no special assessments. Settlements have not exceeded coverage for each of the past three fiscal years.



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

To the Honorable Laurel Kelly,
Property Appraiser of Martin County, 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 Property Appraiser of Martin County, Florida (the "Property Appraiser") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements and have issued our report thereon dated December 10, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Property Appraiser'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 Property Appraiser's internal control. Accordingly, we do not express an opinion on the effectiveness of the Property Appraiser'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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Honorable Laurel Kelly,
Property Appraiser of Martin County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the Property Appraiser in a separate management letter and Independent Accountant's Report dated December 10, 2020.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
December 10, 2020



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable Laurel Kelly,
Property Appraiser of Martin County, Florida

Report on the Financial Statements

We have audited the financial statements of the Property Appraiser of Martin County, Florida (the "Property Appraiser") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated December 10, 2020.

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 Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated December 10, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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.

To the Honorable Laurel Kelly,
Property Appraiser of Martin County, Florida

Financial Management

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

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 Property Appraiser, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
December 10, 2020



INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Laurel Kelly,
Property Appraiser of Martin County, Florida

We have examined the Property Appraiser of Martin County, Florida's (the "Property Appraiser") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2020. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser'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 Property Appraiser is in accordance with those requirements. An examination involves performing procedures to obtain evidence about the Property Appraiser's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of 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. Our examination does not provide a legal determination on the Property Appraiser's compliance with specified requirements.

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2020.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
December 10, 2020



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**MARTIN COUNTY, FLORIDA
SHERIFF**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2020



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MARTIN COUNTY, FLORIDA
Sheriff
For the Year Ended September 30, 2020

Table of Contents

	PAGE
Independent Auditor's Report.....	1
Special-Purpose Balance Sheet - Governmental Funds.....	3
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	4
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund.....	5
Special-Purpose Statement of Net Position - Self-Insurance - Internal Service Fund.....	6
Special-Purpose Statement of Revenues, Expenditures and Changes in Net Position - Self-Insurance - Internal Service Fund.....	7
Special-Purpose Statement of Cash Flows.....	8
Special-Purpose Statement of Fiduciary Net Position - Agency Fund.....	9
Notes to Special-Purpose Financial Statements.....	10
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.....	22
Independent Auditor's Management Report.....	24
Independent Accountant's Report.....	26



INDEPENDENT AUDITOR'S REPORT

To the Honorable William Snyder,
Sheriff of Martin County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Martin County, Florida Sheriff (the "Sheriff") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

To the Honorable William Snyder,
Sheriff of Martin County, Florida

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Sheriff as of September 30, 2020, and the respective change in financial position, and the budgetary comparison for the general fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

As described in Note 1 to the financial statements, the accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(3), *Rules of the Auditor General for Local Governmental Entity Audits*. These financial statements are not intended to be a complete presentation of the financial position of Martin County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2021, on our consideration of the Sheriff'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
April 30, 2021

Martin County, Florida
Sheriff
Balance Sheet
Governmental Funds
September 30, 2020

	General	Canteen/Inmate Welfare Fund	Nonmajor Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,307,802	\$ 229,436	\$ 652,584	\$ 2,189,822
Accounts receivable	59,390	52,449	-	111,839
Due from other funds	231,722	-	-	231,722
Due from other county agencies	113,199	-	9,063	122,262
Due from other governmental agencies	5,194	-	202,514	207,708
Total assets	<u>1,717,307</u>	<u>281,885</u>	<u>864,161</u>	<u>2,863,353</u>
LIABILITIES				
Accounts payable	670,241	794	4,981	676,016
Due to other funds	292,834	29,208	202,514	524,556
Due to Board of County Commissioners	754,232	-	84,617	838,849
Total liabilities	<u>1,717,307</u>	<u>30,002</u>	<u>292,112</u>	<u>2,039,421</u>
FUND BALANCES				
Restricted for:				
Inmate Welfare Fund	-	251,883	-	251,883
Grant Funds	-	-	420,301	420,301
Trust Funds	-	-	151,748	151,748
Total fund balances	<u>-</u>	<u>251,883</u>	<u>572,049</u>	<u>823,932</u>
Total liabilities and fund balances	<u>\$ 1,717,307</u>	<u>\$ 281,885</u>	<u>\$ 864,161</u>	<u>\$ 2,863,353</u>

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

Martin County, Florida**Sheriff****Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balances****Governmental Funds****For the Year Ended September 30, 2020**

	General	Canteen/Inmate Welfare Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ 602,937	\$ 602,937
Charges for services	3,626,262	567,766	-	4,194,028
Fines and forfeitures	-	-	68,805	68,805
Interest income	84,467	33	1,250	85,750
Miscellaneous revenues	269,591	134,685	-	404,276
Total revenues	3,980,320	702,484	672,992	5,355,796
EXPENDITURES				
Current				
General government	3,539,366	726,491	-	4,265,857
Public safety	69,841,058	-	704,861	70,545,919
Capital outlay	3,905,782	-	52,518	3,958,300
Total expenditures	77,286,206	726,491	757,379	78,770,076
Deficiency of revenues under expenditures	(73,305,886)	(24,007)	(84,387)	(73,414,280)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	1,583,211	-	-	1,583,211
Transfers in	72,473,307	-	318,910	72,792,217
Transfers out	(750,632)	-	(207,868)	(958,500)
Total other financing sources (uses)	73,305,886	-	111,042	73,416,928
Net change in fund balances	-	(24,007)	26,655	2,648
Fund balances - beginning	-	275,890	545,394	821,284
Fund balances - ending	\$ -	\$ 251,883	\$ 572,049	\$ 823,932

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

Martin County, Florida**Sheriff****Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance -****Budget and Actual****General Fund****For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 3,684,841	\$ 3,684,841	\$ 3,626,262	\$ (58,579)
Interest income	100,000	100,000	84,467	(15,533)
Miscellaneous revenues	71,000	71,000	269,591	198,591
Total revenues	3,855,841	3,855,841	3,980,320	124,479
EXPENDITURES				
Current				
General government	3,533,925	3,533,925	3,539,366	(5,441)
Public safety	69,947,216	69,947,216	69,841,058	106,158
Capital outlay	1,717,346	1,717,346	3,905,782	(2,188,436)
Total expenditures	75,198,487	75,198,487	77,286,206	(2,087,719)
Deficiency of revenues under expenditures	(71,342,646)	(71,342,646)	(73,305,886)	(1,963,240)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	1,583,211	1,583,211
Transfers in	71,442,646	71,442,646	72,473,307	1,030,661
Transfers out	(100,000)	(100,000)	(750,632)	(650,632)
Total other financing sources (uses)	71,342,646	71,342,646	73,305,886	1,963,240
Fund balances, beginning	-	-	-	
Fund balances, ending	\$ -	\$ -	\$ -	

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

Martin County, Florida
Sheriff
Special-Purpose Statement of Net Position
Internal Service Fund - Sheriff Self Insurance
September 30, 2020

ASSETS

Current assets:

Cash and cash equivalents	\$	7,211,653
Accounts receivable		864,039
Due from other funds		292,834
Prepaid items		<u>4,000</u>
Total assets		<u><u>8,372,526</u></u>

LIABILITIES

Current liabilities:

Accounts payable and accrued claims		<u>559,942</u>

NET POSITION

Unrestricted	\$	<u><u>7,812,584</u></u>

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

Martin County, Florida

Sheriff

Special-Purpose Statement of Revenues, Expenses and Changes in Net Position

Internal Service Fund - Sheriff Self Insurance

For the Year Ended September 30, 2020

OPERATING REVENUES

Charges for services	\$ 11,568,665
Miscellaneous revenues	<u>357,058</u>
Total operating revenues	<u><u>11,925,723</u></u>

OPERATING EXPENSES

General and administrative and claims	<u>13,296,034</u>
Operating Loss	<u><u>(1,370,311)</u></u>

NONOPERATING REVENUES (EXPENDITURES)

Interest income	<u>56,669</u>
Change in net position	(1,313,642)
Total net position - beginning	<u>9,126,226</u>
Total net position - ending	<u><u>\$ 7,812,584</u></u>

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

Martin County, Florida
Sheriff
Special-Purpose Statement of Cash Flows
Internal Service Fund – Sheriff Self-Insurance
For the Year Ended September 30, 2020

	<u>Self-Insurance</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 13,709,850
Claims and administrative services paid	<u>(15,128,068)</u>
Net cash used in operating activities	<u>(1,418,218)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned	<u>56,669</u>
Net cash provided by investing activities	<u>56,669</u>
Net increase in cash and cash equivalents	(1,361,549)
Cash and cash equivalents - beginning of the year	<u>8,573,202</u>
Cash and cash equivalents - end of year	<u><u>\$ 7,211,653</u></u>
 Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (1,370,311)
Change in assets and liabilities:	
Receivables, net	(36,904)
Accounts payable	<u>(11,003)</u>
Net cash used in operating activities	<u><u>\$ (1,418,218)</u></u>

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

Martin County, Florida
Sheriff
Special-Purpose Statement of Fiduciary Net Position
Agency Fund
September 30, 2020

ASSETS

Cash and cash equivalents	\$ 557,714

LIABILITIES

Deposits from individuals and corporations	\$ 557,714

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

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2020

Note 1 - Summary of Significant Accounting Policies

The significant accounting policies followed by the Sheriff of Martin County, Florida (the “Sheriff”) are summarized below:

A. General Information

Martin County (the “County”) is a political subdivision of the State of Florida. The County operates as a non-charter government pursuant to Article VIII, Section (1)(f) of the Constitution of the State of Florida. The fiscal year of the County is from October 1 to September 30, as established in Section 218.33, Florida Statutes.

B. Reporting Entity and Financial Statement Presentation

The Sheriff is a separately elected county official established pursuant to the Constitution of the State of Florida. The Sheriff’s special-purpose financial statements do not purport to reflect the financial position or the results of operations of the County taken as a whole.

Entity status for financial reporting purposes is governed by the Governmental Accounting Standards Board’s (“GASB”) Codification Section 2100 “Defining the Financial Reporting Entity.” Although the Sheriff’s Office is operationally autonomous from the County, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Sheriff is reported as a part of the primary government of Martin County, Florida.

The Sheriff’s special-purpose financial statements are prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*, which require the Sheriff to only present fund financial statements. In conformity with the Rules, the Sheriff has not presented the government-wide financial statements, related disclosures or management’s discussion and analysis, which are required to present a complete presentation of its financial position and changes in financial position.

These financial statements are not intended to be a complete presentation of the financial position of the Sheriff or Martin County, Florida as of September 30, 2020, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

C. Fund Accounting

The accounting records of the Sheriff are organized on the basis of funds as prescribed by accounting principles generally accepted in the United States of America (“GAAP”) applicable to governments as established by the GASB. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Separate funds are maintained to account for specific government activities or to comply with special regulations or legal restrictions.

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2020

Each major fund is reported in a separate column. The various types and funds used by the Sheriff are described as follows:

Governmental Funds

The Sheriff has the following major governmental funds:

General Fund – This fund is used to account for all financial activity of the Sheriff not accounted for in other funds. The funding is primarily from transfers in from the Martin County Board of County Commissioners.

Canteen/Inmate Welfare Fund – The Canteen fund is used for the subsistence and benefit of the inmates at the Martin County Jail. It is primarily funded by user fees (charges for services) and is reported as a Special Revenue Fund. This fund does not require a budget.

The Sheriff also has fifteen non-major special revenue funds that account for the activities of various law enforcement grants and services.

Proprietary Fund – The Internal Service Fund is used to account for the Sheriff's self-insurance activities.

Fiduciary Funds

Agency Funds – These funds are used to account for assets and transactions of the Sheriff in the capacity of a trustee or agent for individuals, private organizations, other funds or other governmental units.

D. Measurement Focus and Basis of Accounting

The governmental fund type measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination. These funds are maintained on the modified accrual basis of accounting. Revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the current period. For this purpose the Sheriff considers revenue to be available if they are collected within 60 days after the end of the current fiscal period with the exception of certain grants, which have a period of 1 year after the end of the current year. Expenditures are recorded in the accounting period in which the related fund liability is incurred, if measurable. Exceptions to this general rule include accumulated sick and vacation and Other Postemployment Benefits (OPEB). Since they do not affect net current assets, such long-term amounts are not recognized as governmental type expenditures or fund liabilities.

In applying the "susceptible to accrual" concept to intergovernmental revenues (grants, entitlements and shared revenue), the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental revenues are susceptible to accrual when the eligibility requirements have been met and the revenues are available as defined above.

Charges for services are invoiced monthly and recorded and accrued as revenues. Investment earnings and most fines and forfeitures are recorded as earned when they are measurable and available.

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2020

The fiduciary funds do not measure results of operations, but assets and liabilities are measured on the accrual basis of accounting. These funds are used to account for assets held by the Sheriff as trustee or agent for individuals and/or other governmental units. The Sheriff also measures operations, assets and liabilities of its Internal Service Fund on the accrual basis of accounting, which used the economic resources measurement focus. Revenues are recognized when earned and expenses are recognized when incurred. The Internal Service Fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenditures generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues for the Internal Service Fund are charges to the various departments and funds for insurance services.

E. Budgets

The budgets for the Sheriff are prepared, adopted and amended in accordance with Chapter 129, Florida Statutes. The budget is balanced, meaning that total appropriations are equal to total revenues. The budget for the General Fund is prepared on a basis consistent with GAAP; budgets are not provided for other funds.

The budget process begins with the development of estimates by the Sheriff. The estimates are reviewed, analyzed and submitted to the Martin County Board of County Commissioners (the "Board") for consideration on or about July 15. The Board conducts several workshops to thoroughly review the budget and make adjustments as appropriate. Prior to September 30, two public hearings are conducted to hear comments and questions from the public regarding the budget. The budget is adopted at the second public hearing through formal resolution of the Board.

The budget is adopted at the fund total level. Therefore, formal budgetary control is exercised at that level. Expenditures in excess of appropriations in one or more departments of a fund do not constitute a violation of budgetary controls as long as the total expenditures do not exceed total appropriations for the fund. Management employs lower level (departmental) controls, however, to prevent or reduce the potential for budget overruns at the fund total level.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted for all reserves, transfers, allocations, supplemental appropriations and other legally authorized changes applicable to the fiscal year, whenever, signed into law or otherwise legally authorized.

F. Cash and Cash Equivalents

For purposes of these statements, demand deposits, petty cash and short-term investments with original maturities of three months or less from date of acquisition are considered to be cash and cash equivalents.

G. Capital Assets

Upon acquisition, capital assets are recorded as capital outlay expenditures of the appropriate governmental fund in these special-purpose financial statements. The Sheriff maintains custodial responsibility for the capital assets used by his office, however, they are recorded in the financial statements of the County.

In the governmental activities section of the County's government-wide financial statements, all capital assets with a cost of \$5,000 or greater and an estimated life of more than one year are capitalized and recorded at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at their

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2020

estimated fair market value on the date donated. No depreciation has been provided on capital assets in these special-purpose financial statements, however, depreciation expense is recorded in the government-wide financial statements of the County.

H. Compensated Absences

It is the policy of the Sheriff to permit employees to accumulate a limited amount of earned hours, unused vacation and sick leave, which will be paid upon separation from service. The liability for compensated absences is not reported in the special-purpose financial statements, but rather is reported in the government-wide financial statements of the County.

I. Use of Estimates

The preparation of special-purpose financial statements in conformity with GAAP 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 special-purpose financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

J. Transfers In

In accordance with Florida Statutes, the Board is required to fund certain operations of the Sheriff. These County appropriations are reported as transfers in and totaled \$72,473,307 for the Sheriff's General Fund and \$302,655 for the Sheriff's Other Governmental funds.

K. Transfers out

In accordance with Florida Statutes, all revenues in excess of expenditures as of year-end are owed to the Board and are reported as a transfer out in the Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balances. There was interest earnings of the current year of \$84,467 which was returned to the Board of County Commissioners as of September 30, 2020.

L. Fund Balance

In accordance with GASB Statement No. 54, fund balances of the governmental funds are classified as restricted. This classification includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

M. Investments Policy

The Sheriff follows the provisions of Section 218.415 (17), Florida Statutes, which allows for surplus funds to be invested in the Local Government Surplus Funds Trust fund (the "State Pool") or any intergovernmental investment pool; Securities and Exchange commission registered money market funds; certificates of deposits and savings accounts in state-certified qualified public depositories, or direct obligations of the U. S. Treasury.

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2020

Note 2 - Cash and Cash Equivalents and Investments

Cash and cash equivalents (including fiduciary funds) consist of the following at September 30, 2020:

Demand deposits	\$	9,955,389
Petty cash		3,800
	\$	<u>9,959,189</u>

Demand deposits and certificates of deposit whose values exceed the limits of federal depository insurance are entirely insured or collateralized pursuant to Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*, (the Act). Under this Act, financial institutions which are qualified as public depositories place with the State Board of Administration securities which have a market value, equal to 50% of the average daily balance for each month of all public deposits in excess of applicable deposit insurance. The Public Deposit Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All the Sheriff's depositories at year-end were designated as qualified public depositories. The bank balance as of September 30, 2020, was \$11,565,605.

Note 3 – Interfund Receivables and Payables and Transfers

Interfund receivable and payable balances at September 30, 2020, consist of the following:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 231,722	\$ 292,834
Canteen Fund	-	29,208
Other Governmental Funds	-	202,514
Self-Insurance Fund	292,834	-
	<u>\$ 524,556</u>	<u>\$ 524,556</u>

The interfund receivable and payable is for short-term loans from the general fund to fund operations of the various special revenue programs, which will be reimbursed upon receipt of billings.

Transfers for the year ended September 30, 2020, were as follows:

Fund	Transfers In From:			Transfers Out To:		
	Board	General Fund	Total	Board	Other Governmental Funds	Total
General Fund	\$ 72,473,307	\$ -	\$ 72,473,307	\$ 734,377	\$ 16,255	\$ 750,632
Other Governmental Funds	302,655	16,255	318,910	207,868	-	207,868
Total Transfers	<u>\$ 72,775,962</u>	<u>\$ 16,255</u>	<u>\$ 72,792,217</u>	<u>\$ 942,245</u>	<u>\$ 16,255</u>	<u>\$ 958,500</u>

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2020

The Sheriff's transfers in to the General fund from the Board are an allocation to fund the Sheriff's operations based on the approved budget. Transfers out from the General fund to the Board consist of excess revenue and other financing sources over expenditures and other financing uses, which must be returned to the Board in accordance with Florida Statutes.

Note 4 – Capital Assets

Capital assets consisted of vehicles, furniture, fixtures and equipment. Changes in capital assets for the year ended September 30, 2020, which are reported in the basic Government Wide Financial Statements of the County, were as follows:

	Beginning 10/01/19	Additions	Deletions	Ending 09/30/20
Capital assets, being depreciated:				
Machinery and equipment	\$ 19,726,178	\$ 4,394,287	\$ (567,947)	\$ 23,552,518
Accumulated depreciation	(12,873,646)	(2,292,087)	440,285	(14,725,448)
Total capital assets being depreciated	<u>\$ 6,852,532</u>	<u>\$ 2,102,200</u>	<u>\$ (127,662)</u>	<u>\$ 8,827,070</u>

Note 5 – Long Term Liabilities

Long-term liabilities are not reported in the special purpose financial statements of the Sheriff since they are not payable from available, spendable resources. They are reported in the Government Wide Financial Statements of the County.

Changes in long-term liabilities for the year ended September 30, 2020, were as follows:

	Beginning 10/01/19	Additions	Deletions	Ending 09/30/20
Compensated Absences	\$ 7,424,215	\$ 1,444,906	\$ (664,473)	\$ 8,204,648
Capital lease obligations	-	1,583,211	-	1,583,211
Total	<u>\$ 7,424,215</u>	<u>\$ 3,028,117</u>	<u>\$ (664,473)</u>	<u>\$ 9,787,859</u>

The annual debt service requirements to maturity for capital lease obligations are as follows:

Year Ending September 30,	Principal	Interest
2021	\$ 300,085	\$ 42,521
2022	308,144	34,461
2023	316,420	26,185
2024	324,918	17,687
2025	333,644	8,961
Total	<u>\$ 1,583,211</u>	<u>\$ 129,815</u>

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2020

Note 6 - Budget versus Actual Expenditures

The General Fund reported a favorable variance of \$100,717 in operating expenditures and debt service in relation to budgeted expenditures in the current fiscal year and a unfavorable variance of \$2,188,436 in capital outlay, resulting in an overall variance of \$2,087,719 for the fiscal year.

Note 7 - Retirement Plan

The Sheriff participates in the Florida Retirement System and provides retirement benefits to employees through the following plans:

Plan Descriptions

The **Florida Retirement System (FRS) Pension Plan** and the **Retiree Health Insurance Subsidy (HIS) Program** are cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement. The FRS Pension Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. These benefits are established by Chapter 121, Florida Statutes, and may only be amended by the Florida legislature.

The HIS Program benefit is a monthly payment to assist retirees of the State-administered retirement systems in paying their health insurance costs. The HIS Program was established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time.

A comprehensive annual financial report including financial information and required supplementary information on both plans is publicly available on the web site of the Florida Department of Management Services (<http://www.dms.myflorida.com>).

The Sheriff contributes to the **Florida Retirement System Investment Plan (Investment Plan)**, a defined contribution plan, for its eligible employees who elect to participate in the Investment Plan in lieu of participating in the FRS Pension Plan. As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of FRS defined-benefit plan. Sheriff employees participating in the DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.) as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

The Investment Plan is administered by the State Board of Administration (SBA), and is reported in the SBA's annual financial statements and in the State of Florida's comprehensive annual financial report. Financial information on this plan is available on the web at <http://www.sbafla.com/>.

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2020

FRS and HIS Contributions

The Sheriff's employer contributions to both plans totaled \$9,091,129 for the fiscal year ended September 30, 2020. The Sheriff contributed 100 percent of its statutorily required contributions for the current and preceding two years for both plans.

Net Pension Liability

For financial reporting purposes, the Sheriff is deemed to be part of the primary government of Martin County, Florida. A liability related to the Sheriff's proportionate share of the aggregate net pension liability for both plans will be reported in the financial statements of the County for the fiscal year ended September 30, 2020. Balances related to the net pension liability, deferred outflows, deferred inflows, and pension expenses are reported in the governmental activities column of the Statement of Net Position and the Statement of Activities as part of the basic financial statements of the County.

FLORIDA RETIREMENT SYSTEM (FRS) PENSION PLAN

Benefits Provided

The Florida Retirement System was created on December 1, 1970. Members enrolled in the FRS and actively employed on July 1, 2001, or first enrolled between July 1, 2001, and June 30, 2011, will be vested, or eligible to receive future benefits after 6 years of creditable service. Participants first enrolled on or after July 1, 2011, will be vested, or eligible to receive future benefits after 8 years of creditable service. Retirement, disability, and death benefits are based on age, average final compensation and years-of-service credit. For members initially enrolled in the FRS before July 1, 2011, average final compensation is the average of the five highest fiscal years of salary earned during covered employment. For members initially enrolled in the FRS on or after July 1, 2011, average final compensation is the average of the eight highest fiscal years of salary earned during covered employment. Members are eligible for normal retirement when they have met the minimum requirements established by their membership class. For members initially enrolled in the FRS before July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 62 or if they have 30 years of creditable service regardless of age. For members initially enrolled in the FRS on or after July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 65 or if they have 33 years of creditable service regardless of age.

Early retirement may be taken any time after vesting. However, there is a 5% reduction of benefits for each year prior to normal retirement age or date. The percentage level of employees' payroll contribution rates is determined using the frozen entry age actuarial cost method.

Beginning July 1, 1998, the FRS implemented the Deferred Retirement Option Program (DROP), which is a program within the FRS Pension Plan that allows members to retire without terminating their employment for up to five years while their retirement benefits accumulate and earn interest compounded monthly at a stated effective annual rate. For members who entered DROP prior to July 1, 2011, the rate is 6.5%. For members who enter DROP on or after July 1, 2011, the rate is 1.3%. Members may participate in DROP when they are vested and have reached their normal retirement date. When the DROP period ends, members must terminate employment. At that time, members will receive their accumulated DROP benefits and begin receiving their monthly retirement benefit.

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2020

The FRS was amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution plan is known as the FRS Investment Plan, which is described later in this note.

Contributions

The following membership classes and contribution rates, which apply to both the FRS Pension Plan and the FRS Investment Plan, were in effect at September 30, 2020:

<u>Membership Class</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate*</u>
Regular	3.00%	10.00%
Special Risk	3.00%	24.45%
State Attorney/Public Defender	3.00%	58.91%
County, City, Special District Elected Officers	3.00%	49.18%
Special Risk Administrative Support	3.00%	35.84%
Senior Management	3.00%	27.29%
Deferred Retirement Option Program	N/A	16.98%

*Employer contribution rates in the above table include a 1.66% contribution for the Retiree Health Insurance Subsidy Program.

RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM

Benefits Provided

For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 per month and a maximum HIS payment of \$150 per month. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Program is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2020, the contribution rate was 1.66 percent of payroll. The Sheriff contributed 100 percent of its statutorily required contributions for the current and preceding three years. The HIS Program contributions are deposited in a separate trust fund from which payments are authorized. The HIS Program benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2020

FLORIDA RETIREMENT SYSTEM INVESTMENT PLAN

Vesting Provisions

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds.

Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll, which is included in the FRS contribution rates, and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the SBA, however, management believe that these amounts, if any, would be immaterial to the Sheriff. After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

For more detailed information on these plans, please refer to the Retirement Note in the County's Comprehensive Annual Financial Report (CAFR).

Note 8 - Other Postemployment Benefits (OPEB)

Plan Description

In addition to the retirement system benefits described in Note 7, the Sheriff provides post retirement health care benefits, in accordance with state statutes, to all employees who retire from the Sheriff's Office after vesting with the state of Florida Retirement System (FRS). Currently, 301 retirees meet those eligibility requirements. The Sheriff subsidizes 75% of the amount of health care costs for retirees hired before January 1, 2001, and who have completed ten or more years of creditable, continuous service with the Sheriff's Office. Employees hired after that date through December 31, 2009 are subsidized 60% to 75%, depending on the years of service. Employees hired on or after January 1, 2010, with at least 20 years of service will be subsidized 70% to 75%. Full-time employees hired on or after April 1, 2011, who wish to continue their health insurance benefits upon retirement, shall be responsible for 100% of their insurance costs. The health care rates for retirees are the same as for active employees. All retirees who have life insurance at the time of their retirement are eligible for a \$5,000 life insurance policy on themselves only, which is subsidized 50% by the Sheriff. The Sheriff does not issue a stand-alone financial report for OPEB.

The Sheriff's total OPEB liability is reported within the governmental activities column of the County's Statement of Net Position. Further information about OPEB is available in the County's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2020.

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2020

Note 9 – Risk Management

The Sheriff is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The coverage for general liability, workers' compensation and comprehensive crime loss is covered through a comprehensive property and liability risk management program, the Florida Sheriff's Self Insurance Fund. The program is a self-insurance program whereby the Sheriff makes annual contributions along with other members of the program. The Sheriff is subject to a special assessment in the event of a deficiency, except to the extent that the deficiency results from a specific claim against a member in excess of the reinsurance available, such deficiency is solely the responsibility of that member. The Sheriff is covered by Florida Statutes under the Doctrine of Sovereign Immunity, which generally limits the amount of the liability of the Sheriff to individual claims of \$200,000 or \$300,000 for all claims relating to the same incident. Health and dental insurance is fully insured with third party providers. Settled claims have not exceeded these commercial insurance coverage's in any of the last three years.

The Sheriff's Group Health Insurance is self-insured and administered by a third party administrator. All assets, liabilities and operations related to health insurance as of September 30, 2020, are accounted for in the Sheriff's Internal Service Fund. The Sheriff has excess coverage in place for instances where losses exceed individual claims of \$140,000 and aggregate claims of \$2,000,000. There have been no settlements that have exceeded applicable insurance coverage during the past three fiscal years. The claims liabilities are based on actuarial calculations and methods.

Changes to the claims liability for the Sheriff's internal service funds in fiscal years 2020 and 2019 were as follows:

<u>Fiscal Year</u>	<u>Liability Beginning Balance</u>	<u>Additions</u>	<u>Claim Payments</u>	<u>Liability Ending Balance</u>
2020	\$ 570,945	\$ 13,285,031	\$ (13,296,034)	\$ 559,942
2019	\$ 498,716	\$ 11,621,998	\$ (11,549,769)	\$ 570,945

Note 10 - Contingencies

The Sheriff is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Claims covered by the self-insurance program (Note 9) are reviewed and losses are accrued as required in the judgment of management. In the opinion of management, based on the advice of legal counsel, the ultimate disposition of these lawsuits and claims will not have a material adverse effect on the financial position of the Sheriff.

Grant funds received by the Sheriff are subject to audit by grantor agencies. Audits of these grants may result in disallowed costs, which may constitute a liability of the Sheriff. In the opinion of management, disallowed costs, if any, would be immaterial to the financial position of the Sheriff.



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

To the Honorable William Snyder,
Sheriff of Martin County, 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 Martin County, Florida Sheriff (the "Sheriff") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated April 30, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sheriff'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 Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sheriff'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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Honorable William Snyder,
Sheriff of Martin County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the Sheriff in a separate management letter and Independent Accountant's Report dated April 30, 2021.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
April 30, 2021



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable William Snyder,
Sheriff of Martin County, Florida

Report on the Financial Statements

We have audited the financial statements of the Martin County, Florida Sheriff (the "Sheriff") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated April 30, 2021.

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 Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated April 30, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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.

To the Honorable William Snyder,
Sheriff of Martin County, Florida

Financial Management

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

Additional Matters

Section 10.554(1)(i)2., *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 Sheriff, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
April 30, 2021



INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable William Snyder,
Sheriff of Martin County, Florida

We have examined the Martin County, Florida Sheriff's (the "Sheriff") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2020. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Sheriff is in accordance with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the Sheriff's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of 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. Our examination does not provide a legal determination on the Sheriff's compliance with specified requirements.

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2020.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
April 30, 2021



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**MARTIN COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2020



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Martin County, Florida
Supervisor of Elections
For the Year Ended September 30, 2020

CONTENTS

	PAGE
Independent Auditor's Report.....	1
Special-Purpose Balance Sheet - General Fund.....	3
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund.....	4
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund.....	5
Notes to Special-Purpose Financial Statements.....	6
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.....	14
Independent Auditor's Management Report.....	16
Independent Accountant's Report.....	18



INDEPENDENT AUDITOR'S REPORT

To the Honorable Vicki Davis,
Supervisor of Elections of Martin County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Supervisor of Elections of Martin County, Florida (the "Supervisor") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Supervisor's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

To the Honorable Vicki Davis,
Supervisor of Elections of Martin County, Florida

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the Supervisor as of September 30, 2020, and the respective change in financial position, and the budgetary comparison for the general fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

As described in Note 1 to the financial statements, the accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(3), *Rules of the Auditor General for Local Governmental Entity Audits*. These financial statements are not intended to be a complete presentation of the financial position of Martin County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2021 on our consideration of the Supervisor'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Orlando, Florida

January 21, 2021

Martin County, Florida
Supervisor of Elections
Special-Purpose Balance Sheet
General Fund
September 30, 2020

ASSETS

Cash and cash equivalents	\$	121,486
Accounts receivable		50
Due from other governmental agencies		30,748
Prepaid items		5,567
Total assets		<u><u>157,851</u></u>

LIABILITIES

Accounts payable	30,569
Accrued wages payable	36,490
Due to Board of County Commissioners	72,107
Unearned revenue	18,625
Total liabilities	<u><u>157,791</u></u>

FUND BALANCE

Nonspendable:

Prepaid items	5,567

Restricted for:

Grant programs and projects	60

Unassigned:

	<u>(5,567)</u>

Total fund balance	<u><u>60</u></u>

Total liabilities and fund balance	<u><u>\$ 157,851</u></u>

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

Martin County, Florida
Supervisor of Elections
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
For the Year Ended September 30, 2020

REVENUES

Intergovernmental revenues	\$	120,769
Charges for services		2,383
Interest income		1,176
Miscellaneous revenues		293
Total revenues		<u>124,621</u>

EXPENDITURES

Current:		
General government		<u>1,315,897</u>

Deficiency of revenues under expenditures		<u>(1,191,276)</u>

OTHER FINANCING SOURCES

Transfers in		1,262,845
Transfers out		<u>(72,107)</u>
Total other financing sources		<u>1,190,738</u>

Net change in fund balance		(538)

Fund balance - beginning		<u>598</u>

Fund balance - ending	\$	<u><u>60</u></u>

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

Martin County, Florida
Supervisor of Elections
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
General Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ -	\$ 239,909	\$ 120,768	\$ (119,141)
Charges for services	-	-	2,383	2,383
Interest income	-	-	1,176	1,176
Miscellaneous revenues	-	-	293	293
Total revenues	-	239,909	124,620	(115,289)
EXPENDITURES				
Current:				
General government	1,262,845	1,508,336	1,315,896	192,440
Deficiency of revenues under expenditures	(1,262,845)	(1,268,427)	(1,191,276)	77,151
OTHER FINANCING SOURCES (USES)				
Transfers in	1,262,845	1,262,845	1,262,845	-
Transfers out	-	-	(72,107)	(72,107)
Total other financing sources (uses)	1,262,845	1,262,845	1,190,738	(72,107)
Net change in fund balance	-	(5,582)	(538)	\$ 5,044
Fund balance - beginning	-	5,582	598	
Fund balance - ending	\$ -	\$ -	\$ 60	

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

Martin County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statement
For the Year Ended September 30, 2020

Note 1 - Summary of Significant Accounting Policies

The significant accounting policies followed by the Supervisor of Elections of Martin County, Florida (the “Supervisor”) are summarized below:

A. General Information

Martin County (the “County”) is a political subdivision of the State of Florida. The County operates as a non-charter government pursuant to Article VIII, Section (1)(f) of the Constitution of the State of Florida. The fiscal year of the County is from October 1 to September 30, as established in Section 218.33, *Florida Statutes*.

B. Reporting Entity and Financial Statement Presentation

The Supervisor is a separately elected county official established pursuant to the Constitution of the State of Florida. The Supervisor’s special-purpose financial statements do not purport to reflect the financial position, or the results of operations the County taken as a whole.

Entity status for financial reporting purposes is governed by the Governmental Accounting Standards Board’s (“GASB”) Codification Section 2100 “Defining the Financial Reporting Entity.” Although the Supervisor of Elections Office is operationally autonomous from the County, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Supervisor is reported as a part of the primary government of Martin County, Florida.

The Supervisor’s special-purpose financial statements are prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*, which require the Supervisor to only present fund financial statements. In conformity with the Rules, the Supervisor has not presented the government-wide financial statements, related disclosures or management’s discussion and analysis, which are required to present a complete presentation of its financial position and changes in financial position.

These financial statements are not intended to be a complete presentation of the financial position of the Supervisor of Elections or Martin County, Florida as of September 30, 2020, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

C. Fund Accounting

The accounting records of the Supervisor are maintained within a separate General Fund of the Martin County Board of County Commissioners (the “Board”). The operations are accounted for in a governmental fund type, as prescribed by accounting principles generally accepted in the United States of America (“GAAP”) applicable to governments as established by the GASB, within a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures.

D. Measurement Focus and Basis of Accounting

The governmental fund type measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination. This fund is maintained on the modified accrual basis of accounting. Revenues are recognized when they become

Martin County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statement
For the Year Ended September 30, 2020

susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the current period. For this purpose the Supervisor considers revenue to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures are recorded in the accounting period in which the related fund liability is incurred, if measurable. Exceptions to this general rule include accumulated sick and vacation, claims and judgments, pension, and Other Postemployment Benefits (OPEB). Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities.

In applying the "susceptible to accrual" concept to intergovernmental revenues (grants, entitlements and shared revenue), the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental revenues are susceptible to accrual when the eligibility requirements have been met.

Miscellaneous revenues are recorded as revenues when received in cash, because they are generally not measurable until actually received.

E. Budgets

The budget for the Supervisor is prepared, adopted and amended in accordance with Chapter 129, *Florida Statutes*. The budget is balanced, meaning that total appropriations are equal to total revenues and transfers in from the Board. The budget for the general fund is prepared on a basis consistent with GAAP.

The budget process begins with the development of estimates by the Supervisor. The estimates are reviewed, analyzed and submitted to the Board for consideration on or about July 15. The Board conducts several workshops to thoroughly review the budget and make adjustments as appropriate.

Prior to September 30, two public hearings are conducted to hear comments and questions from the public regarding the budget. The budget is adopted at the second public hearing through formal resolution of the Board.

The budget is adopted at the fund total level. Therefore, formal budgetary control is exercised at that level. Expenditures in excess of appropriations in one or more departments of a fund do not constitute a violation of budgetary controls as long as the total expenditures do not exceed total appropriations for the fund. Management employs lower level (departmental) controls, however, to prevent or reduce the potential for budget overruns at the fund total level.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted for all reserves, transfers, allocations, supplemental appropriations and other legally authorized changes applicable to the fiscal year when signed into law or otherwise legally authorized.

F. Cash and Cash Equivalents

For purposes of these statements, demand deposits and petty cash and short-term investments with original maturities of three months or less from date of acquisition are considered to be cash and cash equivalents.

G. Capital Assets

Upon acquisition, capital assets are recorded as capital outlay expenditures of the appropriate governmental fund in these special-purpose financial statements. The Supervisor maintains custodial responsibility for the capital assets used by her office; however, they are recorded in the financial statements of the County.

Martin County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statement
For the Year Ended September 30, 2020

In the governmental activities section of the County's government-wide financial statements all capital assets with a cost of \$5,000 or greater and an estimated life of more than one year are capitalized and recorded at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at their estimated acquisition value on the date donated. No depreciation has been provided on capital assets in these special-purpose financial statements, however, depreciation expense is recorded in the government-wide financial statements of the County.

H. Compensated Absences

It is the policy of the Supervisor to permit employees to accumulate a limited amount of earned but unused vacation benefits and sick leave, which will be paid to employees upon separation from service. The liability for compensated absences is not reported in the special-purpose financial statements, but rather is reported in the government-wide financial statements of the County.

I. Use of Estimates

The preparation of special-purpose financial statements in conformity with GAAP 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 special-purpose financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

J. Transfers In

In accordance with *Florida Statutes*, the Board of County Commissioners is required to fund certain operations of the Supervisor of Elections. These County appropriations are reported as transfers in and totaled \$1,262,845.

K. Transfers Out

In accordance with *Florida Statutes*, all revenues in excess of expenditures as of year-end are owed to the Board of County Commissioners. These "excess fees" are reported as transfers out. Revenues in excess of expenditures transferred out and due to the Board as of September 30, 2020, were \$72,107.

L. Governmental Fund Balance

In accordance with GASB Statement No. 54, fund balance may be classified as non-spendable, restricted, committed, assigned, and unassigned. Non-spendable fund balance includes amounts that cannot be spent because they are either not in spendable form or are legally and contractually required to be maintained intact; restricted fund balance is limited by external providers or enabling legislation; committed fund balance can be used only for specific purposes as determined by the government's highest level of decision making authority; assigned fund balance is intended to be used by the government for specific purposes, but does not meet the criteria to be classified as restricted or committed; unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in other classifications.

As of September 30, 2020, the Supervisor reported \$5,567 in prepaid items classified as nonspendable fund balance and \$60 in grant funds as restricted fund balance due to external grant agency limitations. As a result, the Supervisor reported a residual classification of unassigned fund balance in the amount of (\$5,567) as of September 30, 2020.

Martin County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statement
For the Year Ended September 30, 2020

Note 2 – Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

Demand deposits	\$120,786
Petty cash	<u>700</u>
	<u>\$121,486</u>

Deposits whose values exceed the limits of federal depository insurance are entirely insured or collateralized pursuant to *Florida Statutes*, Chapter 280, *Florida Security for Public Deposits Act*, (the Act). Under this Act, Florida's Chief Financial Officer shall determine the collateral requirements and the collateral pledging level for each qualified public depository in order to protect the integrity of the public deposits program. The Public Deposit Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All Supervisor depositories at year-end were designated as qualified public depositories.

Note 3 - Long-Term Liabilities

Changes in long-term liabilities for the year ended September 30, 2020, are as follows:

	<u>Beginning 10/01/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending 09/30/2020</u>
Compensated absences	\$ <u>25,569</u>	\$ <u>38,606</u>	\$ <u>(21,094)</u>	\$ <u>43,081</u>

The long-term liabilities are not reported in the special-purpose financial statements of the Supervisor since they are not payable from available, spendable resources. They are reported in the Government Wide Financial Statements of the County.

Note 4 - Retirement Plan

The Supervisor participates in the Florida Retirement System and provides retirement benefits to employees through the following plans:

Plan Descriptions

The **Florida Retirement System (FRS) Pension Plan** and the **Retiree Health Insurance Subsidy (HIS) Program** are cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement. The FRS Pension Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. These benefits are established by Chapter 121, Florida Statutes, and may only be amended by the Florida legislature.

The HIS Program benefit is a monthly payment to assist retirees of the State-administered retirement systems in paying their health insurance costs. The HIS Program was established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time.

Martin County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statement
For the Year Ended September 30, 2020

A comprehensive annual financial report including financial information and required supplementary information on both plans is publicly available on the web site of the Florida Department of Management Services (<http://www.dms.myflorida.com>).

The Supervisor contributes to the **Florida Retirement System Investment Plan (Investment Plan)**, a defined contribution plan, for its eligible employees who elect to participate in the Investment Plan in lieu of participating in the FRS Pension Plan. As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of FRS defined-benefit plan. Supervisor employees participating in the DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.) as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. The Investment Plan is administered by the State Board of Administration (SBA), and is reported in the SBA's annual financial statements and in the State of Florida's comprehensive annual financial report. Financial information on this plan is available on the web at <http://www.sbafla.com/>.

FRS and HIS Contributions

The Supervisor's employer contributions to both plans totaled \$56,176 for the fiscal year ended September 30, 2020. The Supervisor contributed 100 percent of its statutorily required contributions for the current and preceding two years for both plans.

Net Pension Liability

For financial reporting purposes, the Supervisor is deemed to be part of the primary government of Martin County, Florida. A liability related to the Supervisor's proportionate share of the aggregate net pension liability for both plans will be reported in the financial statements of the County for fiscal year ended September 30, 2020. Balances related to the net pension liability, deferred outflows, deferred inflows, and pension expenses are reported in the governmental activities column of the Statement of Net Position and the Statement of Activities as part of the basic financial statements of the County.

FLORIDA RETIREMENT SYSTEM (FRS) PENSION PLAN

Benefits Provided

The Florida Retirement System was created on December 1, 1970. Members enrolled in the FRS and actively employed on July 1, 2001, or first enrolled between July 1, 2001 and June 30, 2011, will be vested, or eligible to receive future benefits after 6 years of creditable service. Participants first enrolled on or after July 1, 2011 will be vested, or eligible to receive future benefits after 8 years of creditable service. Retirement, disability, and death benefits are based on age, average final compensation and years-of-service credit. For members initially enrolled in the FRS before July 1, 2011, average final compensation is the average of the five highest fiscal years of salary earned during covered employment. For members initially enrolled in the FRS on or after July 1, 2011, average final compensation is the average of the eight highest fiscal years of salary earned during covered employment. Members are eligible for normal retirement when they have met the minimum requirements established by their membership

Martin County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statement
For the Year Ended September 30, 2020

class. For members initially enrolled in the FRS before July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 62 or if they have 30 years of creditable service regardless of age. For members initially enrolled in the FRS on or after July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 65 or if they have 33 years of creditable service regardless of age. Early retirement may be taken any time after vesting. However, there is a 5% reduction of benefits for each year prior to normal retirement age or date. The percentage level of employees' payroll contribution rates is determined using the frozen entry age actuarial cost method.

Beginning July 1, 1998, the FRS implemented the Deferred Retirement Option Program (DROP), which is a program within the FRS Pension Plan that allows members to retire without terminating their employment for up to five years while their retirement benefits accumulate and earn interest compounded monthly at a stated effective annual rate. For members who entered DROP prior to July 1, 2011, the rate is 6.5%. For members who enter DROP on or after July 1, 2011, the rate is 1.3%. Members may participate in DROP when they are vested and have reached their normal retirement date. When the DROP period ends, members must terminate employment. At that time, members will receive their accumulated DROP benefits and begin receiving their monthly retirement benefit.

The FRS was amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution plan is known as the FRS Investment Plan, which is described later in this note.

Contributions

The following membership classes and contribution rates, which apply to both the FRS Pension Plan and the FRS Investment Plan, were in effect at September 30, 2020:

<u>Membership Class</u>	<u>Employee</u>	<u>Employer</u>
	<u>Contribution</u>	<u>Contribution</u>
	<u>Rate</u>	<u>Rate*</u>
Regular	3.00%	10.00%
Special Risk	3.00%	24.45%
State Attorney/Public Defender	3.00%	58.91%
County, City, Special District Elected Officers	3.00%	49.18%
Special Risk Administrative Support	3.00%	35.84%
Senior Management	3.00%	27.29%
Deferred Retirement Option Program	N/A	16.98%

*Employer contribution rates in the above table include a 1.66% contribution for the Retiree Health Insurance Subsidy Program.

RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM

Benefits Provided

For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 per month and a maximum HIS payment of \$150 per month. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Martin County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statement
For the Year Ended September 30, 2020

Contributions

The HIS Program is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2020, the contribution rate was 1.66 percent of payroll. The Supervisor contributed 100 percent of its statutorily required contributions for the current and preceding three years. The HIS Program contributions are deposited in a separate trust fund from which payments are authorized. The HIS Program benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

FLORIDA RETIREMENT SYSTEM INVESTMENT PLAN

Vesting Provisions

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds.

Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

For more detailed information on these plans, please refer to the Retirement Note in the County's Comprehensive Annual Financial Report (CAFR).

Note 5 - Other Postemployment Benefits

In addition to the retirement system described in Note 4, the Supervisor provides postretirement health care benefits, in accordance with state statutes, to all employees who retire from the Supervisor after vesting with the retirement system. Currently, one retiree meets those eligibility requirements. Retired employees of the Supervisor of Elections hired prior to October 13, 2009, who retire after 30 years of service, or after the age of 55, with ten years of credited service with the County and who were participants in the existing medical plan at the time of retirement, are entitled to participation in the County administered single-employer defined benefit healthcare plan. For these retirees, the Agency subsidizes 75% of the cost of health care coverage for the retiree. The retiree may choose family coverage, but would have to pay the difference in premium cost.

Martin County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statement
For the Year Ended September 30, 2020

Once employees become eligible for Medicare all subsidies from the Supervisor end. Employees who were hired on or after October 13, 2009 are not eligible for post-retirement health care benefits. Expenditures for postretirement health care benefits are recognized as premiums are paid. During the year, expenditures of \$2,874 were recognized for postretirement health care.

The Supervisor's total OPEB liability is reported within the governmental activities column of the County's Statement of Net Position. Further information about OPEB is available in the County's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2020.

Note 6 – Risk Management

The Supervisor is exposed to various risks of loss related to tort; theft of, damage to, and to destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Supervisor participates in the Self-Insurance program of the County. The coverage for employee health, property, general liability, automobile liability, workers' compensation, and public employee bond and comprehensive crime loss is covered through a comprehensive property and liability risk management program reported in the Self-Insurance Fund of the County. The County is part of the Tri-County Risk Management Program, which is a public entity risk pool. The program is a self-insurance program whereby the County makes annual contributions along with the other members of the program.

The County is subject to a special assessment in the event of a deficiency, except to the extent that the deficiency results from a specific claim against a member in excess of the reinsurance available; such a deficiency is solely the responsibility of that member. The program is reported by the County as an Internal Service Fund. The Supervisor makes annual contributions to the County self-insurance fund based on amounts determined by the Board of County Commissioners. Such contributions were \$53,836 during the fiscal year ended September 30, 2020, and are included as expenditures in the accompanying special-purpose financial statements. As of September 30, 2020, there have been no special assessments. Settlements have not exceeded coverage for each of the past three fiscal years.

Note 7 – Contingencies

Grant funds received by the Supervisor are subject to audit by grantor agencies. Audits of these grants may result in disallowed costs, which may constitute a liability of the Supervisor. In the opinion of management, disallowed costs, if any, would be immaterial to the financial position of the Supervisor.



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

To the Honorable Vicki Davis,
Supervisor of Elections of Martin County, 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 Supervisor of Elections of Martin County, Florida (the "Supervisor") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Supervisor's basic financial statements and have issued our report thereon dated January 21, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Supervisor'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 Clerk's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk'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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Honorable Vicki Davis,
Supervisor of Elections of Martin County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Supervisor's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the Supervisor in a separate management letter and Independent Accountant's Report dated January 21, 2021.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
January 21, 2021



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable Vicki Davis,
Supervisor of Elections of Martin County, Florida

Report on the Financial Statements

We have audited the financial statements of the Supervisor of Elections of Martin County, Florida (the "Supervisor") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated January 21, 2021.

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 Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated January 21, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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.

To the Honorable Vicki Davis,
Supervisor of Elections of Martin County, Florida

Financial Management

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.

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 Supervisor, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
January 21, 2021



INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Vicki Davis,
Supervisor of Elections of Martin County, Florida

We have examined the Supervisor of Elections of Martin County, Florida's (the "Supervisor") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2020. Management is responsible for the Supervisor's compliance with those requirements. Our responsibility is to express an opinion on the Supervisor'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 Supervisor is in accordance with those requirements. An examination involves performing procedures to obtain evidence about the Supervisor's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of 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. Our examination does not provide a legal determination on the Supervisor's compliance with specified requirements.

In our opinion, the Supervisor complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2020.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
January 21, 2021



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**MARTIN COUNTY, FLORIDA
TAX COLLECTOR**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2020



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Martin County, Florida
Tax Collector
For the Year Ended September 30, 2020

CONTENTS

	PAGE
Independent Auditor's Report.....	1
Special-Purpose Balance Sheet - General Fund.....	3
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund.....	4
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund.....	5
Special-Purpose Statement of Fiduciary Net Position - Agency Funds.....	6
Notes to Special-Purpose Financial Statements.....	7
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.....	16
Independent Auditor's Management Letter.....	18
Independent Accountant's Report.....	20



INDEPENDENT AUDITOR'S REPORT

To the Honorable Ruth Pietruszewski,
Tax Collector of Martin County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Martin County, Florida Tax Collector (the "Tax Collector") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

To the Honorable Ruth Pietruszewski,
Tax Collector of Martin County, Florida

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the Tax Collector as of September 30, 2020, and the respective change in financial position, and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

As described in Note 1 to the financial statements, the accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(3), *Rules of the Auditor General for Local Governmental Entity Audits*. These financial statements are not intended to be a complete presentation of the financial position of Martin County, Florida as of September 30, 2020, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2021, on our consideration of the Tax Collector'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
February 8, 2021

Martin County, Florida
Tax Collector
Special-Purpose Balance Sheet
General Fund
September 30, 2020

ASSETS

Cash and cash equivalents	\$	4,762,053
Accounts receivable		904
Prepaid items		925
Total assets		<u>4,763,882</u>

LIABILITIES

Accrued wages payable	102,877
Due to Board of County Commissioners	4,476,145
Due to other governmental agencies	158,598
Deposits and other liabilities	26,262
Total liabilities	<u>4,763,882</u>

FUND BALANCE

Nonspendable:	
Prepaid items	925
Unassigned:	(925)
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ 4,763,882</u>

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

Martin County, Florida
Tax Collector
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
For the Year Ended September 30, 2020

REVENUES

Charges for services	\$ 10,399,071
Interest income	33,523
Miscellaneous revenues	9,615
Total revenues	<u>10,442,209</u>

EXPENDITURES

Current:	
General government	5,951,216
Capital outlay	166,629
Total expenditures	<u>6,117,845</u>

Excess of revenues over expenditures	<u>4,324,364</u>

OTHER FINANCING USES

Transfers in	151,781
Transfers out	<u>(4,476,145)</u>

Net change in fund balance	-

Fund balance - beginning	<u>-</u>

Fund balance - ending	<u><u>\$ -</u></u>

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

Martin County, Florida
Tax Collector
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
General Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 10,175,827	\$ 10,175,827	\$ 10,399,071	\$ 223,244
Interest income	94,986	94,986	33,523	(61,463)
Miscellaneous revenues	15,231	15,231	9,615	(5,616)
Total revenues	10,286,044	10,286,044	10,442,209	156,165
EXPENDITURES				
Current:				
General government	6,477,832	6,485,315	5,951,216	534,099
Capital outlay	122,500	175,629	166,629	9,000
Total expenditures	6,600,332	6,660,944	6,117,845	543,099
Excess of revenues over expenditures	3,685,712	3,625,100	4,324,364	699,264
OTHER FINANCING USES				
Transfers in	-	-	151,781	(151,781)
Transfers out	(3,685,712)	(3,625,100)	(4,476,145)	(851,045)
Net change in fund balance	-	-	-	\$ -
Fund balance - beginning	-	-	-	
Fund balance - ending	\$ -	\$ -	\$ -	

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

Martin County, Florida
Tax Collector
Special-Purpose Statement of Fiduciary Net Position
Agency Fund
September 30, 2020

ASSETS

Cash and cash equivalents	\$ 4,340,931
Accounts receivable	<u>360,219</u>
Total assets	<u><u>\$ 4,701,150</u></u>

LIABILITIES

Due to other governmental agencies	<u><u>\$ 4,701,150</u></u>

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

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

Note 1 - Summary of Significant Accounting Policies

The significant accounting policies followed by the Tax Collector of Martin County, Florida (the “Tax Collector”) are summarized below:

A. General Information

Martin County (the “County”) is a political subdivision of the State of Florida. The County operates as a non-charter government pursuant to Article VIII, Section (1) (f) of the Constitution of the State of Florida. The fiscal year of the County is from October 1 to September 30, as established in Section 218.33, Florida Statutes.

B. Reporting Entity and Financial Statement Presentation

The Tax Collector is a separately elected county official established pursuant to the Constitution of the State of Florida. The Tax Collector’s special-purpose financial statements do not purport to reflect the financial position or the results of operations of the County taken as a whole.

Entity status for financial reporting purposes is governed by the Governmental Accounting Standards Board’s (“GASB”) Codification Section 2100 “Defining the Financial Reporting Entity.” Although the Tax Collector’s Office is operationally autonomous from the County, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Tax Collector is reported as a part of the primary government of Martin County, Florida.

The Tax Collector’s special-purpose financial statements are prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*, which require the Tax Collector to only present fund financial statements. In conformity with the Rules, the Tax Collector has not presented the government-wide financial statements, related disclosures or management’s discussion and analysis, which are required to present a complete presentation of its financial position and changes in financial position.

These financial statements are not intended to be a complete presentation of the financial position of the Tax Collector or Martin County, Florida as of September 30, 2020, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

C. Fund Accounting

The accounting records of the Tax Collector are organized on the basis of funds as prescribed by accounting principles generally accepted in the United States of America (“GAAP”) applicable to governments as established by the GASB. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Separate funds are maintained to account for specific government activities or to comply with special regulations or legal restrictions. The various types and funds used by the Tax Collector are described as follows:

Governmental Fund

General Fund – This fund represents the Tax Collector’s major fund and is used to account for all financial activity of the Tax Collector not accounted for in other funds. Revenue is derived primarily from charges for services.

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

Fiduciary Fund

Agency Fund – This fund is used to account for assets, liabilities, and transactions of a governmental unit in the capacity of a trustee or agent for individuals, private organizations, other funds or other governmental units.

D. Measurement Focus and Basis of Accounting

The governmental fund type measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination. This fund is maintained on the modified accrual basis of accounting. Revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the current period. For this purpose the Tax Collector considers revenue to be available if collected within 60 days after the end of the current fiscal period. The Tax Collector's major source of revenue are fees earned for the collection of taxes on behalf of various taxing authorities. Fees are considered to be earned when the related taxes are collected. Expenditures are recorded in the accounting period in which the related fund liability is incurred, if measurable. Exceptions to this general rule include accumulated sick and vacation, pension, and Other Postemployment Benefits (OPEB). Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities.

The Agency Fund does not measure results of operations, but assets and liabilities are measured on the accrual basis of accounting. This fund is used to account for assets held by the Tax Collector as trustee or agent for individuals and/or other governmental units.

E. Budgets

The budget for the Tax Collector is prepared, adopted and amended in accordance with Chapter 195.087, Florida Statutes. The budget is balanced, meaning that total appropriations are equal to total revenues. The budget for the General Fund is prepared on a basis consistent with GAAP.

On or before August 1 of each year, the Tax Collector submits to the Florida Department of Revenue (the Department) a budget for the operation of the Tax Collector's office for the ensuing fiscal year, in the manner and form prescribed by the Department. A copy of such budget is furnished at the same time to the Martin County Board of County Commissioners (the "Board"). After the final approval of the budget by the Department, there are no amendments to the budget without the approval of the Department.

The budget is adopted at the fund total level. Therefore, formal budgetary control is exercised at that level. Expenditures in excess of appropriations in one or more departments of a fund do not constitute a violation of budgetary controls as long as the total expenditures do not exceed total appropriations for the fund. Management employs lower level (departmental) controls, however, to prevent or reduce the potential for budget overruns at the fund total level.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted for all reserves, transfers, allocations, supplemental appropriations and other legally authorized changes applicable to the fiscal year when signed into law or otherwise legally authorized.

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

F. Cash and Cash Equivalents

For purposes of these statements, demand deposits and petty cash and short-term investments with original maturities of three months or less from date of acquisition are considered to be cash and cash equivalents. Investments in external investment pools, including the Local Government Surplus Funds Trust and Florida Local Government Investment Trust, are considered to be investments.

G. Capital Assets

Upon acquisition, capital assets are recorded as capital outlay expenditures of the appropriate governmental fund in these special-purpose financial statements. The Tax Collector maintains custodial responsibility for the capital assets used by her office; however, they are recorded in the financial statements of the County.

In the governmental activities section of the County's government-wide financial statements all capital assets with a cost of \$5,000 or greater and an estimated life of more than one year are capitalized and recorded at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at their estimated fair market value on the date donated. No depreciation has been provided on capital assets in these special-purpose financial statements, however, depreciation expense is recorded in the government-wide financial statements of the County.

H. Compensated Absences

It is the policy of the Tax Collector to permit employees to accumulate a limited amount of earned but unused vacation benefits and sick leave, which will be paid to employees upon separation from service. The liability for compensated absences is not reported in the special-purpose financial statements, but rather is reported in the government-wide financial statements of the County.

I. Use of Estimates

The preparation of special-purpose financial statements in conformity with GAAP 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 special-purpose financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

J. Transfers out

In accordance with Florida Statutes, all revenues and transfers from the Board in excess of expenditures as of year-end are owed on a prorata basis to the Board and other governments who pay the fees in the same proportion as the total fees earned by the Tax Collector. These unused fees are reported as a transfer out in the accompanying Special-Purpose Statement of Revenues and Expenditures and Changes in Fund Balance for the portion owed to the Board. Excess fees payable to other governments are recorded as a reduction of charges for services revenue and due to other governmental agencies in the general fund. Unused fees transferred out and due to the Board and other governmental agencies were \$4,476,145 and \$158,598 respectively, as of September 30, 2020.

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

Note 2 - Cash and Cash Equivalents and Investments

Cash and cash equivalents

Cash and cash equivalents consist of demand deposits of \$9,092,684 and petty cash of \$10,300. Deposits whose values exceed the limits of federal depository insurance are entirely insured or collateralized pursuant to Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*, (the “Act”). Under this Act, Florida’s Chief Financial Officer shall determine the collateral requirements and the collateral pledging level for each qualified public depository in order to protect the integrity of the public deposits program. The Public Deposit Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All Tax Collector depositories at year-end were designated as qualified public depositories. The bank balance as of September 30, 2020, was \$8,802,168.

Note 3 - Long-Term Liabilities

Changes in long-term liabilities for the year ended September 30, 2020, are as follows:

	Beginning 10/01/2019	Additions	Reductions	Ending 09/30/2020
Compensated absences	\$ <u>497,351</u>	\$ <u>321,382</u>	\$ <u>(345,973)</u>	\$ <u>472,760</u>

The long-term liabilities are not reported in the special-purpose financial statements of the Tax Collector since they are not payable from available, spendable resources. They are reported in the financial statements of the County.

Note 4 - Retirement Plan

The Tax Collector participates in the Florida Retirement System and provides retirement benefits to employees through the following plans:

Plan Descriptions

The **Florida Retirement System (FRS) Pension Plan** and the **Retiree Health Insurance Subsidy (HIS) Program** are cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement. The FRS Pension Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. These benefits are established by Chapter 121, Florida Statutes, and may only be amended by the Florida legislature.

The HIS Program benefit is a monthly payment to assist retirees of the State-administered retirement systems in paying their health insurance costs. The HIS Program was established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time.

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

A comprehensive annual financial report including financial information and required supplementary information on both plans is publicly available on the web site of the Florida Department of Management Services (<http://www.dms.myflorida.com>).

The Tax Collector contributes to the **Florida Retirement System Investment Plan (Investment Plan)**, a defined contribution plan, for its eligible employees who elect to participate in the Investment Plan in lieu of participating in the FRS Pension Plan. As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of FRS defined-benefit plan. Tax Collector employees participating in the DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.) as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. The Investment Plan is administered by the State Board of Administration (SBA), and is reported in the SBA's annual financial statements and in the State of Florida's comprehensive annual financial report. Financial information on this plan is available on the web at <http://www.sbafla.com/>.

FRS and HIS Contributions

The Tax Collector's employer contributions to both plans totaled \$433,176 for the fiscal year ended September 30, 2020. The Tax Collector contributed 100 percent of its statutorily required contributions for the current and preceding two years for both plans.

Net Pension Liability

For financial reporting purposes, the Tax Collector is deemed to be part of the primary government of Martin County, Florida. A liability related to the Tax Collector's proportionate share of the aggregate net pension liability for both plans will be reported in the financial statements of the County for fiscal year ended September 30, 2020. Balances related to the net pension liability, deferred outflows, deferred inflows, and pension expenses are reported in the governmental activities column of the Statement of Net Position and the Statement of Activities as part of the basic financial statements of the County.

FLORIDA RETIREMENT SYSTEM (FRS) PENSION PLAN

Benefits Provided

The Florida Retirement System was created on December 1, 1970. Members enrolled in the FRS and actively employed on July 1, 2001, or first enrolled between July 1, 2001, and June 30, 2011, will be vested, or eligible to receive future benefits after 6 years of creditable service. Participants first enrolled on or after July 1, 2011 will be vested, or eligible to receive future benefits after 8 years of creditable service. Retirement, disability, and death benefits are based on age, average final compensation and years-of-service credit. For members initially enrolled in the FRS before July 1, 2011, average final compensation is the average of the five highest fiscal years of salary earned during covered employment. For members initially enrolled in the FRS on or after July 1, 2011, average final compensation is the average of the eight highest fiscal years of salary earned during covered employment. Members are eligible for normal retirement when they have met the minimum requirements established by their membership

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

class. For members initially enrolled in the FRS before July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 62 or if they have 30 years of creditable service regardless of age. For members initially enrolled in the FRS on or after July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 65 or if they have 33 years of creditable service regardless of age. Early retirement may be taken any time after vesting. However, there is a 5% reduction of benefits for each year prior to normal retirement age or date. The percentage level of employees' payroll contribution rates is determined using the frozen entry age actuarial cost method.

Beginning July 1, 1998, the FRS implemented the Deferred Retirement Option Program (DROP), which is a program within the FRS Pension Plan that allows members to retire without terminating their employment for up to five years while their retirement benefits accumulate and earn interest compounded monthly at a stated effective annual rate. For members who entered DROP prior to July 1, 2011, the rate is 6.5%. For members who enter DROP on or after July 1, 2011, the rate is 1.3%. Members may participate in DROP when they are vested and have reached their normal retirement date. When the DROP period ends, members must terminate employment. At that time, members will receive their accumulated DROP benefits and begin receiving their monthly retirement benefit.

The FRS was amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution plan is known as the FRS Investment Plan, which is described later in this note.

Contributions

The following membership classes and contribution rates, which apply to both the FRS Pension Plan and the FRS Investment Plan, were in effect at September 30, 2020:

<u>Membership Class</u>	<u>Employee</u>	<u>Employer</u>
	<u>Contribution</u>	<u>Contribution</u>
	<u>Rate</u>	<u>Rate*</u>
Regular	3.00%	10.00%
Special Risk	3.00%	24.45%
State Attorney/Public Defender	3.00%	58.91%
County, City, Special District Elected Officers	3.00%	49.18%
Special Risk Administrative Support	3.00%	35.84%
Senior Management	3.00%	27.29%
Deferred Retirement Option Program	N/A	16.98%

*Employer contribution rates in the above table include a 1.66% contribution for the Retiree Health Insurance Subsidy Program.

RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM

Benefits Provided

For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 per month and a maximum HIS payment of \$150 per month. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

Contributions

The HIS Program is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2020, the contribution rate was 1.66 percent of payroll. The Tax Collector contributed 100 percent of its statutorily required contributions for the current and preceding three years. The HIS Program contributions are deposited in a separate trust fund from which payments are authorized. The HIS Program benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

FLORIDA RETIREMENT SYSTEM INVESTMENT PLAN

Vesting Provisions

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

For more detailed information on these plans, please refer to the Retirement Note in the County's Comprehensive Annual Financial Report (CAFR).

Note 5 - Other Postemployment Benefits

In addition to the retirement system described in Note 4, the Tax Collector provides postretirement health care benefits, in accordance with state statutes, to all employees who retire from the Tax Collector after vesting with the retirement system. Currently, twenty retirees meet those eligibility requirements. Retired employees of the Tax Collector hired prior to October 13, 2009, who retire after 30 years of service, or after the age of 55, with ten years of credited service with the County and who were participants in the existing medical plan at the time of retirement, are entitled to participation in the County administered single-employer defined benefit healthcare plan. For these retirees, the Agency subsidizes 75% of the cost of health care coverage for the retiree. The retiree may choose family coverage, but would have to pay the difference in premium cost. Once employees become eligible for Medicare all subsidies from the Tax Collector end. Employees who were hired on or after October 13, 2009 are not eligible for post-retirement health care benefits. Expenditures for postretirement health care benefits are

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2020

recognized as premiums are paid. During the year, expenditures of \$71,405 were recognized for postretirement health care.

The Tax Collector's total OPEB liability is reported within the governmental activities column of the County's Statement of Net Position. Further information about OPEB is available in the County's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2020.

Note 6 – Risk Management

The Tax Collector is exposed to various risks of loss related to tort; theft of, damage to, and to destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Tax Collector participates in the Self-Insurance program of the County. The coverage for employee health, property, general liability, automobile liability, workers' compensation, and public employee bond and comprehensive crime loss is covered through a comprehensive property and liability risk management program reported in the Self-Insurance Fund of the County. The County is part of the Tri-County Risk Management Program, which is a public entity risk pool. The program is a self-insurance program whereby the County makes annual contributions along with the other members of the program. The County is subject to a special assessment in the event of a deficiency, except to the extent that the deficiency results from a specific claim against a member in excess of the reinsurance available; such a deficiency is solely the responsibility of that member. The program is reported by the County as an Internal Service Fund. The Tax Collector makes annual contributions to the County self-insurance fund based on amounts determined by the Board of County Commissioners. Such contributions were \$826,485 during the fiscal year ended September 30, 2020, and are included as expenditures in the accompanying special-purpose financial statements. As of September 30, 2020, there have been no special assessments. Settlements have not exceeded coverage for each of the past three fiscal years.

Note 7 – Lease Commitments

Operating Leases

The Tax Collector leases office space, equipment and vehicles under operating lease agreements. Total lease payments made in 2020 were \$156,786

The following is an estimated schedule by years of future rentals under operating leases as of September 30, 2020:

Year ending September 30,2020	
2021	\$ 134,692
2022	101,366
2023	89,886
2024	86,416
2025	32,157
2026	1,605
Total	<u>446,122</u>



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

To the Honorable Ruth Pietruszewski,
Tax Collector of Martin County, 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 Martin County, Florida Tax Collector (the "Tax Collector") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements and have issued our report thereon dated February 8, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Tax Collector'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 Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector'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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Honorable Ruth Pietruszewski,
Tax Collector of Martin County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tax Collector's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the Tax Collector in a separate management letter and Independent Accountant's Report dated February 8, 2021.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
February 8, 2021



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable Ruth Pietruszewski,
Tax Collector of Martin County, Florida

Report on the Financial Statements

We have audited the financial statements of the Martin County, Florida Tax Collector (the "Tax Collector") as of and for the year ended September 30, 2020, and have issued our report thereon dated February 8, 2021.

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 Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated February 8, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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.

To the Honorable Ruth Pietruszewski,
Tax Collector of Martin County, Florida

Financial Management

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

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 Tax Collector, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
February 8, 2021



INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Ruth Pietruszewski,
Tax Collector of Martin County, Florida

We have examined the Martin County, Florida Tax Collector's (the "Tax Collector") compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2020. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector'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 Tax Collector complied with those requirements. An examination involves performing procedures to obtain evidence about the Tax Collector's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of 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. Our examination does not provide a legal determination on the Tax Collector's compliance with specified requirements.

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
February 8, 2021



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