



MARTIN COUNTY, FLORIDA



ANNUAL FINANCIAL REPORT TO THE AUDITOR GENERAL

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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



The Clerk of the Circuit Court, established by the Florida Constitution of 1838, is the local constitutional officer who serves as the Public Trustee for the county. In addition to serving as Clerk to the Courts, the Clerk provides a county level system of checks and balances through service as the County Comptroller, Clerk to the Board of County Commissioners, guardian of Public and Official Records, Clerk to the Value Adjustment Board, and Internal Auditor of county funds.

Please visit our website at www.MartinClerk.com which provides information and services to assist you with your personal and business matters. Please also call, email, or visit one of the offices if we can be of further service to you.

The Clerk & Comptroller's financial reporting is regularly recognized for excellence. The Annual Comprehensive Financial Report has earned the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for 28 consecutive years.

Carolyn Timmann

Clerk of the Circuit Court and Comptroller

MARTIN COUNTY, FLORIDA

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**



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

Martin County, Florida

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended September 30, 2021

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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

COMMUNITY REDEVELOPMENT AGENCY

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

INTRODUCTORY SECTION



CAROLYN TIMMANN
CLERK OF THE CIRCUIT COURT & COMPTROLLER
MARTIN COUNTY, FLORIDA

CONSTITUTIONAL COURTHOUSE COMPLEX
100 SE OCEAN BOULEVARD
STUART, FL 34994
MARTINCLERK.COM

March 28, 2022

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

Re: Annual Comprehensive Financial Report for Martin County, Florida – September 30, 2021

Dear Ladies and Gentlemen:

The Annual Comprehensive Financial Report for Martin County, Florida, for the fiscal year ended September 30, 2021, 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 Annual Comprehensive 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, 2021, were fairly presented in all material respects. In addition, the Annual Comprehensive 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 2021 population is estimated to be 159,053. 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 (2012– 2021), the population of the County increased 8.1%. Martin County is currently ranked 32nd in population size with 0.7% 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 Annual Comprehensive 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.

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 using 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 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 42.8%. The unemployment rate for the County decreased to 3.4% in 2021 from 4.2% in 2020, compared to 4.7% nationally, while Florida's unemployment rate was 4.8%.

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 2021, efforts continued to address the County's infrastructure construction and maintenance backlog.

The County's total weighted average millage rate adopted for Fiscal Year 2021 (FY21) increased 0.1% to 10.3651%. The increase in the tax rate equates to approximately \$89.21 more in taxes paid by the average single-family homeowner using a \$270,640 net assessed value. The Property Appraiser certified property values with a total tax base of \$23.8 billion, a 5.0% increase from the prior year. The single-family median market value increased from \$261,960 in the prior year to \$270,640. 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 FY21 is \$491,460,013, which is a decrease of \$6,785,958, or 1.4%, over the FY20 budget. This net decrease includes an \$11.2 million increase in ad-valorem revenues.

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

The Clerk of the Circuit Court and Comptroller continues the records conversion program, to move from an era of paper filing, degrading tape and manual records to an era of computer and web-based records. Currently in Phase Two of the program, including verifying and indexing the digitized records, the Clerk has deployed the most up-to-date technology, utilizing artificial intelligence (AI) to complete this project phase in the most cost-efficient manner.

The Clerk has also expanded the use of technology to respond to the needs of our residents. These enhancements include electronic transmittal of recorded notices of commencement to expedite the permitting process, as well as

increased use of electronic recording (eRecording) to timely and securely transmit documents for recording in the County's Official Records.

Additionally, the Clerk continues to provide 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 FY21 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.

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 \$83.0 million. In FY21 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 \$1,356,750 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 sunshade hangars. The total ten-year project costs are \$8.3 million. In FY21 the project will be funded by \$830,000 in airport fees and \$3.0 million in grants.
- Rio CRA Improvements – This project supports the long-term vision of a Rio Town Center. It includes upgrading stormwater systems, installing water and sewer systems, and the acquisition of key properties that will spur redevelopment and attract businesses. The total remaining project costs are \$8.1 million. The project will be funded by Tax Increment Fund (TIF) revenue, which includes \$688,549 for FY21.
- Hobe Sound CRA Improvements – This project includes neighborhood enhancements for the Bridge Road "Main Street" project. Improvements include the provision of infrastructure for affordable housing, traffic calming, crosswalks, and lighting to promote vehicular and pedestrian safety. The total remaining project costs are \$7.9 million. The project will be funded by Tax Increment Fund (TIF) revenue, which includes \$676,429 for FY21.
- CR-609 (SW Allapattah Road) Guardrail – This project was a MPO Project Priority #3 in 2015. It includes guardrail installation along CR-609 from 0.51 miles north of SW Minute Maid Road to 3.2 miles north of SW Minute Maid Road at the reverse curve. Total remaining project costs of \$4.8 million are funded by \$419,862 from Road MSTU funds and FDOT grants of \$4,412,933.

- SR-714 (SW Martin Highway) – This project is for the widening of the road to a four-lane divided highway from west of SW Citrus Boulevard to the east approach of the bridge over Florida’s Turnpike. It includes intersection improvements, realignments, new sidewalks and bicycle lanes, and the widening of the bridge over the Turnpike. The full cost of the project is \$20.3 million, and it will be funded by FDOT state funds.
- Old Palm City Septic to Sewer and Water Main Extensions – This project includes water main extensions to 377 parcels and septic to sewer conversions using a vacuum assisted system to serve approximately 1,015 parcels in the Old Palm City Neighborhood. A booster pump at the Martin Downs Wastewater Repump Station is also included in the project. The total project cost is \$22.7 million. It will be funded by \$2,000,000 from State Revenue Sharing, \$1,500,000 from franchise fees, \$900,000 from capital facilities charges, and an assessment on benefitting properties in the amount of \$18,293,170.

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2020. This was the twenty-eighth consecutive year the County achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. The Annual Comprehensive Financial Report must satisfy both GAAP and applicable legal requirements and will be submitted to the GFOA to determine its eligibility for recognition.

The County also received GFOA’s Award for Outstanding Achievement in Popular Annual Financial Reporting for the County’s first publication of its new annual report called the Popular Annual Financial Report (PAFR). The PAFR is a summarized version of the County’s annual ACFR. It is designed to be a short, easy to read report that provides financial information for Martin County, without the voluminous detail that is required to be in the full ACFR.

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,



Carolyn Timmann
Clerk of the Circuit Court and Comptroller

CBT/to

**MARTIN COUNTY, FLORIDA
ELECTED OFFICIALS
AS OF SEPTEMBER 30, 2021**

BOARD OF COUNTY COMMISSIONERS

STACEY HETHERINGTON
County Commissioner
District #2
Chairman

DOUG SMITH
County Commissioner
District #1

HAROLD JENKINS
County Commissioner
District #3

SARAH HEARD
County Commissioner
District #4

EDWARD CIAMPI
County Commissioner
District #5

CONSTITUTIONAL OFFICERS

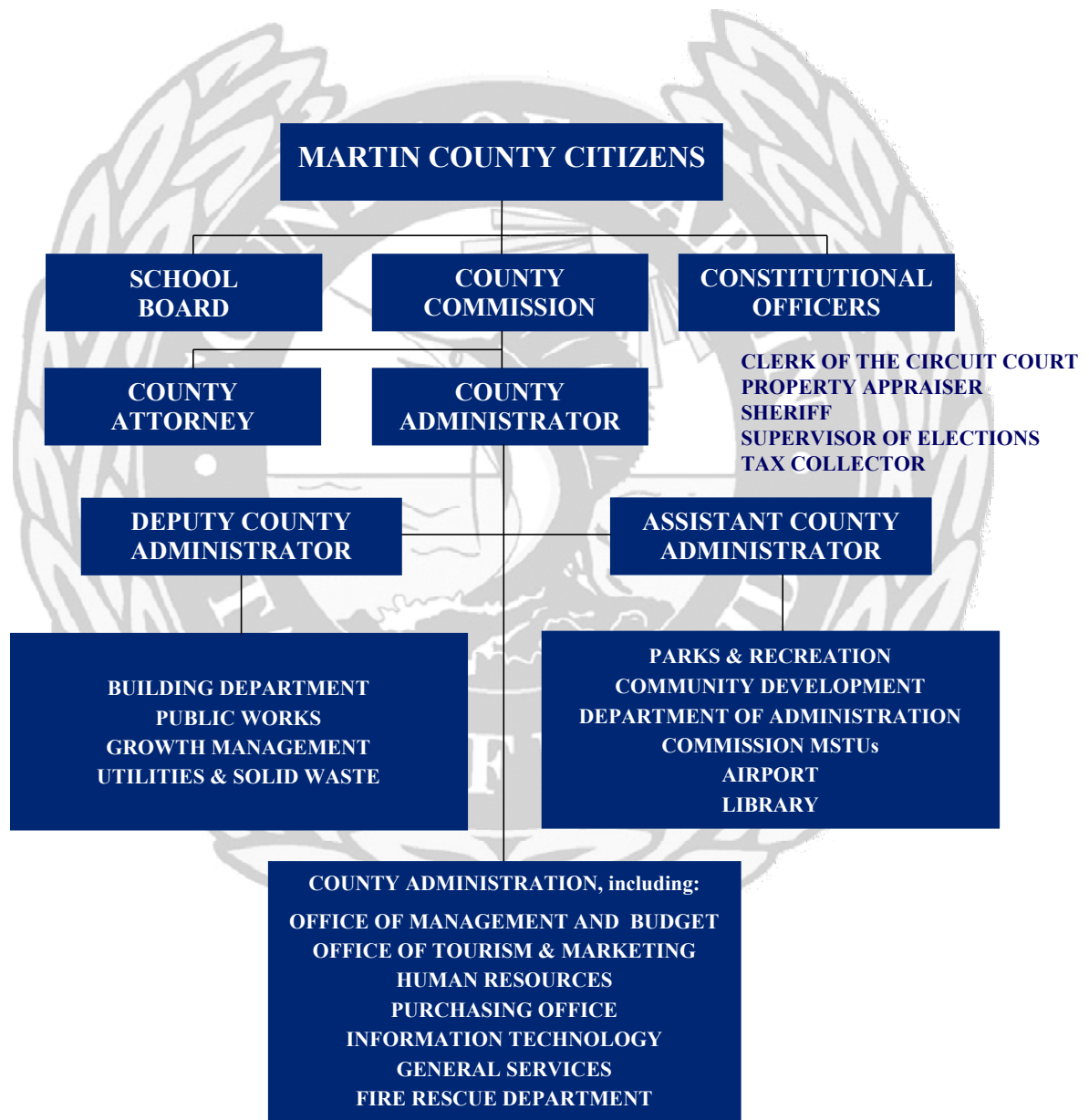
CAROLYN TIMMANN
Clerk of the Circuit Court & Comptroller

JENNY FIELDS
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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Executive Director/CEO

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 activities, each major fund, and the aggregate remaining fund information of Martin County, Florida (the County) as of and for the year ended September 30, 2021, 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 activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2021, 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, Federal Grants Fund, and Other State 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

Emphasis of Matter

As discussed in Note 1 to the financial statements, in the year ended September 30, 2021, the County adopted the provisions of Government Accounting Standards Board Statement ("GASBS") Number 84, *Fiduciary Activities*. As a result of the implementation of GASBS 84, the County reported a restatement for the change in accounting principle. Our opinion is not modified with respect to this matter.

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 28, 2022, 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 28, 2022



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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, 2021. 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 2021, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$850.590 million. Of this amount, \$884.680 million, or 104.01%, is net investment in capital assets. An additional portion of the County's net position, \$97.221 million, or 11.43%, represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$131.311 million, or 15.44%. Overall, the County experienced an increase in net position of \$85.245 million from the prior year net position of \$765.345 million.
- During the fiscal year, the total assets and deferred outflows increased by \$44.430 million. Total assets increased by \$77.197 million while deferred outflows decreased by \$32.767 million (a decrease of \$33.815 million of deferred outflows for pensions, an increase of \$1.571 million of deferred outflows for other post employment benefits (OPEB), and a decrease of \$0.523 million of deferred outflows for loss on refunding debt).
- Total liabilities decreased \$173.893 million, the change in deferred inflows for pensions has increased by \$135.891, and the change in the deferred inflows for OPEB decreased \$2.813 million. As a result, the net change in total liabilities and deferred inflows decreased during the year by \$40.815 million.
- The County's governmental funds had a fund balance of \$243.585 million compared to last year's fund balance of \$228.768 million, an increase in governmental fund balance of \$14.817 million.
- At the beginning of the 2021 fiscal year, the fund balance for the County's general fund was \$43.633 million. Over the course of the year it increased by \$19.042 million resulting in an ending fund balance of \$62.675 million.
- The CRA Fund (\$12.127 million) moved from major fund in FY20 to nonmajor fund in FY21, and Other State Grants (-\$1.281 million) moved from nonmajor fund in FY20 to major fund in FY21.

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 2021, the County's assets exceeded liabilities by \$850.590 million. Of the total net position, \$533.086 million can be attributed to governmental activities and \$317.504 million to business-type activities.

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

	2021	2020	2021	2020	2021	2020
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Government-wide Total	Government-wide Total
Current and other assets	\$ 315,035	\$ 281,428	\$ 105,090	\$ 97,352	\$ 420,125	\$ 378,780
Capital assets, net	726,848	695,953	299,365	294,408	1,026,213	990,361
Total assets	1,041,883	977,381	404,455	391,760	1,446,338	1,369,141
Deferred outflows of resources	69,058	100,485	5,478	6,818	74,536	107,303
Current and other liabilities	60,397	46,729	17,508	14,224	77,905	60,953
Long-term liabilities outstanding	366,950	549,117	69,615	78,293	436,565	627,410
Total liabilities	427,347	595,846	87,123	92,517	514,470	688,363
Deferred inflows of resources	150,508	22,356	5,306	380	155,814	22,736
Net position						
Investment in capital assets	644,480	620,194	240,200	234,841	884,680	855,035
Restricted	72,645	79,601	24,576	22,642	97,221	102,243
Unrestricted (deficit)	(184,039)	(240,131)	52,728	48,198	(131,311)	(191,933)
Total net position	\$ 533,086	\$ 459,664	\$ 317,504	\$ 305,681	\$ 850,590	\$ 765,345

The largest portion of the County's net position, \$884.680 million, or 104.01%, 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, \$97.221 million, or 11.43%, represents resources that are subject to restrictions on how they may be used. The remaining balance in unrestricted net position is a deficit of \$131.311 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 \$184.039 million. The County's overall net position increased by \$85.245 million or 11.14%.

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

- During the fiscal year, current and other assets increased by \$41.345 million mostly due to an increase in cash and investments of \$19.735 million resulting from a \$15 million increase in tax collections.
- Total capital assets net of depreciation increased \$35.852 million primarily due to an increase in building improvements, equipment acquisition, water quality and drainage improvements, and infrastructure assets related to roadway resurfacing and signalization projects completed over the course of the year.
- Total liabilities decreased \$173.893 million from prior year balances primarily as a result of a \$188 million decrease in net pension liability, due to actuarial adjustments based on 2021 market fluctuations. Additionally, \$3 million of new debt for septic to sewer projects, offset by \$7 million in scheduled paydown of debt obligations, and a \$7.841 million increase in the OPEB liability affected the total liabilities decrease.

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

	2021	2020	2021	2020	2021	2020
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Government-wide Total	Government-wide Total
Revenues:						
Program revenues:						
Charges for services	\$ 54,054	\$ 46,126	\$ 64,730	\$ 61,209	\$ 118,784	\$ 107,335
Operating grants and contributions	41,372	23,917	2,378	58	43,750	23,975
Capital grants and contributions	18,841	12,076	8,118	7,804	26,959	19,880
General revenues:						
Property taxes	217,707	206,469	-	-	217,707	206,469
Other taxes	32,206	28,115	-	-	32,206	28,115
Contributions not restricted to specific programs	5,871	5,102	-	-	5,871	5,102
Other	5,199	8,996	3,084	3,990	8,283	12,986
Total revenues	<u>375,250</u>	<u>330,801</u>	<u>78,310</u>	<u>73,061</u>	<u>453,560</u>	<u>403,862</u>
Expenses:						
General government	75,362	79,136	-	-	75,362	79,136
Public safety	144,875	169,589	-	-	144,875	169,589
Physical environment	16,740	11,061	-	-	16,740	11,061
Transportation	29,170	28,414	-	-	29,170	28,414
Economic environment	4,155	5,406	-	-	4,155	5,406
Human services	6,871	6,810	-	-	6,871	6,810
Culture and recreation	20,136	20,178	-	-	20,136	20,178
Interest and fiscal charges on long-term debt	3,605	3,857	-	-	3,605	3,857
Water	-	-	20,004	20,747	20,004	20,747
Sewer	-	-	16,366	17,039	16,366	17,039
Solid waste	-	-	24,841	24,059	24,841	24,059
Airport	-	-	4,349	3,981	4,349	3,981
Golf Course	-	-	1,841	1,947	1,841	1,947
Total expenses	<u>300,914</u>	<u>324,451</u>	<u>67,401</u>	<u>67,773</u>	<u>368,315</u>	<u>392,224</u>
Change in net position before transfers	74,336	6,350	10,909	5,288	85,245	11,638
Transfers	(914)	(1,136)	914	1,136	-	-
Change in net position	73,422	5,214	11,823	6,424	85,245	11,638
Net position-beginning	<u>459,664</u>	<u>454,450</u>	<u>305,681</u>	<u>299,257</u>	<u>765,345</u>	<u>753,707</u>
Net position-ending	<u>\$ 533,086</u>	<u>\$ 459,664</u>	<u>\$ 317,504</u>	<u>\$ 305,681</u>	<u>\$ 850,590</u>	<u>\$ 765,345</u>

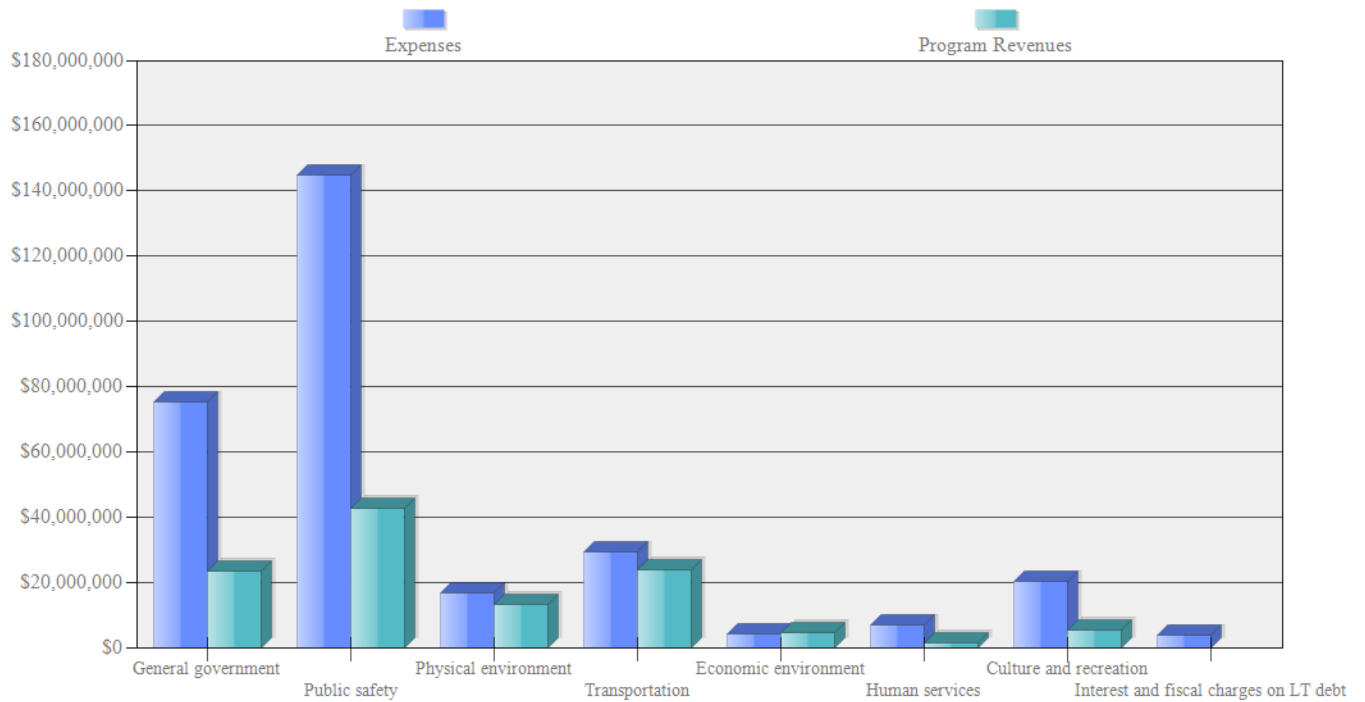
Significant year over year differences in Changes in Net Position are as follows:

Governmental Activities:

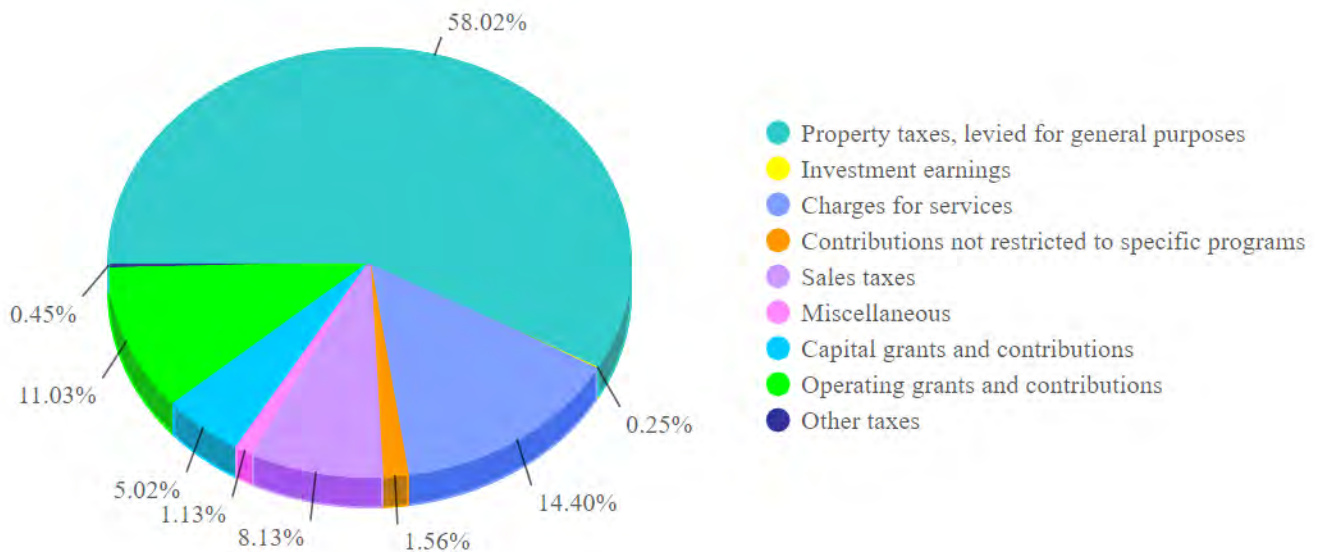
- Charges for services increased \$7.928 million, or 17.19%. With the reopening of facilities, the County realized a \$4.999 million increase in general government charges, \$0.831 million in transportation, and \$1.979 million in culture and recreation, resulting from increases of \$1.211 million in building permits, \$1.661 million in Clerk of Court and Tax Collector activity (criminal, civil, and probate filings, recordings, traffic citations, etc.), \$1.048 million in impact fees, and \$0.931 in parks and recreation fees.
- Operating grants and contributions increased \$17.455 million, or 72.98%, due to various grants in the current year, including an increase of \$18.048 million in CARES funding over last year and an additional \$2.883 million for St. Lucie Inlet management. These were in addition to other water restoration and environmental grants, communication system grants, and housing grants.

- Capital grants and contributions increased \$6.765 million, or 56.02%, due to new grant funds such as \$3.9 million in transportation grants, and continued grants for coastal management and beach renourishment.
- Property taxes increased by \$11.238 million, or 5.44%, due to a small increase in the millage rate and an increased taxable property valuation. The total Countywide average millage rate, which includes regional millage rates, increased from 10.3574% in fiscal year 2020 to 10.3651% in 2021. The taxable property valuation increased 5.04% from last year's property valuation.
- Included in other revenues, miscellaneous revenues saw a \$0.134 million decrease, or 3.1%, from FY20. Also in other revenues, investment earnings were down \$3.663 million year-to-year due to exceptionally low investment rates in 2021.
- General government expenses decreased by \$3.774 million, or 4.77%. This decrease is primarily from the change in the Net Pension Liability adjustment.
- Public safety expenses decreased by \$24.714 million, or 14.57%. This decrease is also primarily from the change in the Net Pension Liability adjustment.
- Physical environment expenses increased by \$5.679 million, or 51.34%, due to Bathtub Beach and St. Lucie Inlet beach renourishment projects.
- Economic environment expenses decreased by \$1.251 million, or 23.14% due mostly to an \$0.875 million decrease in tourism projects.

Expenses and Program Revenues Governmental Activities



Revenues by Source Governmental Activities



Business-type Activities:

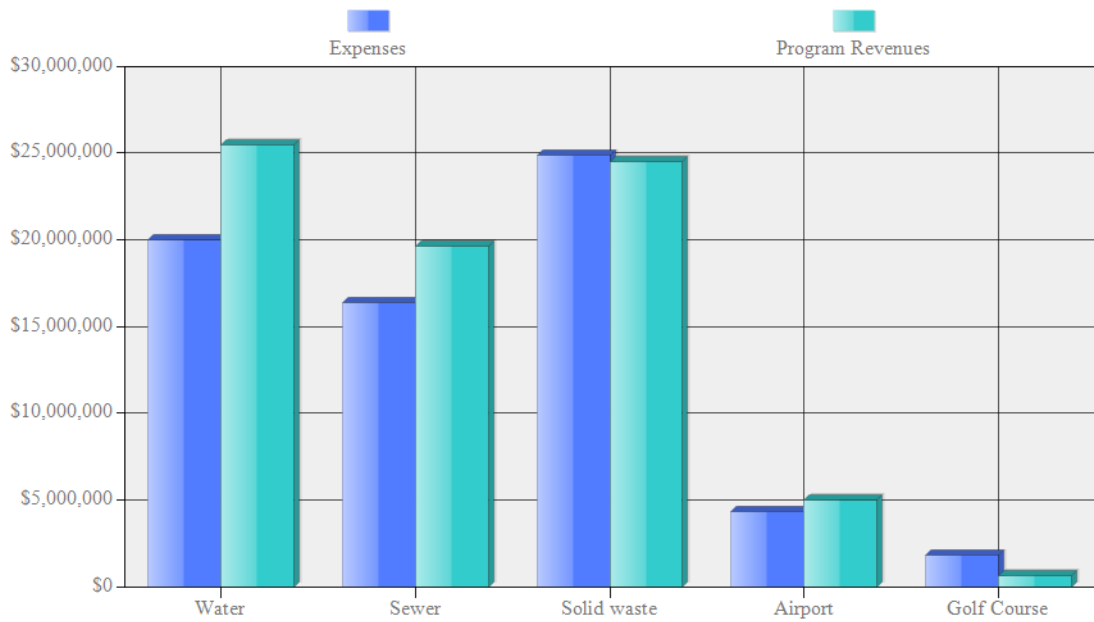
Water/Sewer Utilities:

- Total net position increased by \$11.021 million in fiscal year 2021. Net investment in capital assets for fiscal year 2021 increased \$4.809 million, or 2.52%, compared to 2020, due to an increase in capital asset additions for the septic to sewer program and other capital projects. Unrestricted net position increased \$4.278 million, or 13.42%, in fiscal year 2021 due to the paydown of debt.
- Long-term liabilities in fiscal year 2021 decreased \$6.923 million, or 9.43%, due to the paydown of debt.
- Total operating revenues reflect a 5.84% increase of \$2.165 million in fiscal year 2021 compared to 2020, due to ongoing additional connections and sewer customers added with the septic to sewer program.
- Capital contributions decreased \$0.844 million in fiscal year 2021 from 2020 due to slower activation of developer facilities as a result of the pandemic.
- Operating expenses, excluding depreciation and amortization, decreased by \$2.718 million or 12.25% from fiscal year 2020. The decrease was due to staffing changes resulting in lower salary expenses, as well as a reduction in operating and maintenance expenses.

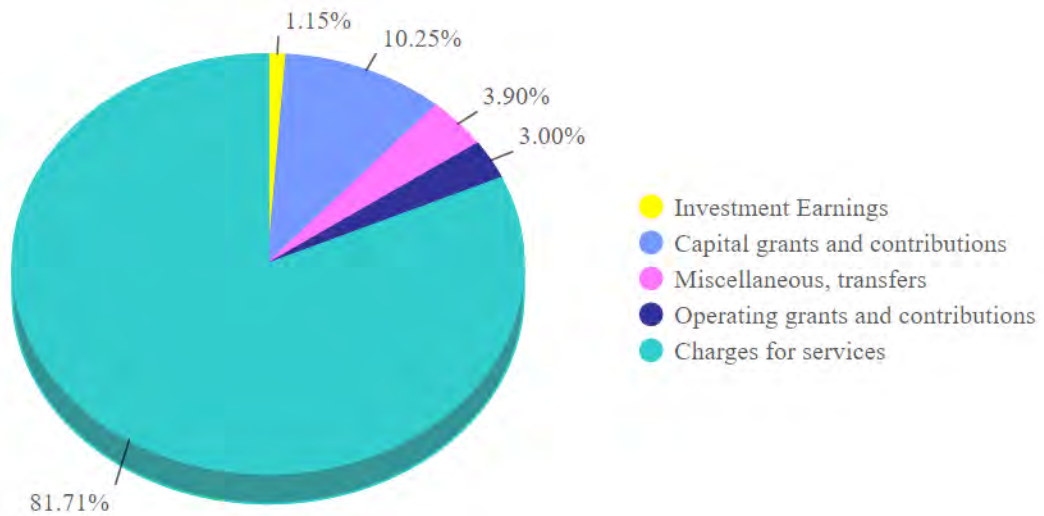
Solid Waste:

- Net position increased by \$0.243 million in fiscal year 2021. Net investment in capital assets for fiscal year 2021 reflects a slight increase of \$0.231 million compared to fiscal year 2020. Unrestricted net position increased a nominal \$0.013 million to \$14.294 million. Operating levels remained fairly steady in fiscal year 2021.
- Total operating revenues reflect a \$1.327 million, or 5.69%, increase in fiscal year 2021 as compared to fiscal year 2020, due to increased construction debris and yard waste.
- Operating expenses, net of depreciation, increased by \$0.762 million, or 3.29%, in fiscal year 2021 as compared to fiscal year 2020 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, 2021, the County's governmental funds reported combined ending fund balances of \$243.585 million. Of this total, \$38.194 million, or 15.68%, 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 (\$1.933 million); 2) restricted funds for debt service, grants, federal and state programs, court operations, and other restricted purposes (\$74.674 million); 3) funds committed to purposes determined by the Board of County Commissioners (\$65.449 million); and 4) funds assigned to a variety of other predetermined purposes (\$63.334 million).

The general fund is the primary operating fund of the County. As of September 30, 2021, the total fund balance in this fund was \$62.675 million, while the unassigned fund balance was \$38.194 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 21.10% of total general fund expenditures, while the total fund balance represents 34.63% of that same amount.

In fiscal year 2021 the fund balance in the County's general fund increased by \$19.042 million. The fund balance increase was a result of an additional \$11.501 million in tax collections and \$23.073 million from CARES reimbursements, offset by increases in public safety expenditures of \$18.257 million. Additional tax collections were realized due to property tax increases from a 0.1% increase in millage rates and property valuation increases of 5.04% over last year.

The fund balance for Consolidated Fire/EMS decreased to \$12.614 million, a decrease of \$1.505 million, partially due to a \$0.477 million debt service expenditure increase and other general cost increases. Revenues increased by \$0.408 million over the prior year, while expenditures increased by \$2.521 million, resulting in a fund balance reduction. Both the revenue and expenditure increases were due to expected annual cost increases, pandemic response activity, and debt service costs. Revenues net of expenditures produced an excess of revenues over expenditures of \$1.875 million.

The Federal Grants fund balance decreased \$0.414 million. This net decrease resulted from an increase in intergovernmental revenues of \$21.352 million, primarily from recognizing CARES funding, a decrease in grant expenditures of \$1.606 million, and a CARES transfers out increase of \$23.073 million for reimbursement to the general fund.

The Other State Grants fund balance decreased \$3.483 million. Revenues net of expenses produces deficiency of revenues under expenditures of \$7.430 million, an additional \$6.264 million deficiency from last year. Revenues increased by \$0.233 million while expenditures increased by \$6.497 million year over year, contributing to the decrease in net change in fund balance. Increased expenditures were related to Bathtub Beach and St. Lucie Inlet beach renourishment projects and public transit projects. The Other State Grants fund's share of local intergovernmental revenue increased \$0.233 million. Activity has remained fairly consistent with the prior year.

The County Buildings fund balance decreased \$8.813 million to \$53.803 million, as revenues from taxes decreased \$2.528 million due to redistribution of taxes between capital projects and general government. Additionally, interest income reduced by \$0.992 million, miscellaneous revenues decreased \$0.452 million, and capital outlay increased by \$2.110 million over last year.

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 an \$19.884 million increase in budgeted expenditures between the FY21 original budget and final amended budget for the general fund resulting from various general government, public safety, and capital outlay increases. Budgeted revenues were increased \$3.844 million primarily due to a \$3.116 million increase in intergovernmental revenues from additional anticipated reimbursable projects. The general government budget increased \$8.516 million over many areas, such as salaries and outside services, to address the unforeseen pandemic response needs, but these budget increases were not all used. Public safety and capital outlay budgets were increased \$2.005 million and \$7.480 million respectively. The capital outlay budget increase included \$2.5 million for golf course work, \$2.0 million for septic to sewer projects, and the remainder for other projects such as the Technology Improvement Plan (TIP).

Major variances in the general fund from final budget to actual were as follows:

- Actual tax revenues were \$1.573 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 99.95% of the required budgeted amount.
- Actual intergovernmental revenues were \$2.991 million over the final budget, as a result of the fluid and unpredictable nature of multiple outside funding sources.
- Actual general government expenditures are reporting a variance of \$11.471 million less than budgeted, and actual public safety expenditures are reporting a variance of \$13.472 million more than budgeted. Originally anticipated general government expenditures ended up in public safety as a result of the pandemic. Total expenditures were \$0.441 million favorable, a 0.2% favorable variance. Some of the larger final budget to actual favorable variances were \$3.4 million in salaries and related costs and \$6.5 million for contractual and professional services.
- The general fund actual capital outlay expenditures were \$1.360 million lower than the final budget due to normal capital project activity fluctuations.

Capital Assets and Debt Administration

As of September 30, 2021, the County's capital assets for its governmental and business-type activities amounts to \$1,026.212 million (net of accumulated depreciation). These capital assets include land, buildings, improvements, equipment, park facilities, roads, bridges, sidewalks, and intangible assets. The total County capital assets for the current fiscal year increased \$35.852 million, or 3.62%; governmental activities increased \$30.895 million, and business-type activities increased \$4.957 million.

Martin County's Capital Assets
(in thousands)

	2021	2020	2021	2020	2021	2020
	Governmental	Governmental	Business-type	Business-type	Government-wide	Government-wide
	Activities	Activities	Activities	Activities	Total	Total
Land and land use rights	\$ 221,320	\$ 220,753	\$ 15,979	\$ 15,930	\$ 237,299	\$ 236,683
Land improvements	67,659	64,187	48,139	46,781	115,798	110,968
Buildings and systems	218,011	202,791	166,192	164,350	384,203	367,141
Other improvements and intangible assets	18,652	17,139	8,961	8,445	27,613	25,584
Machinery & equipment	142,026	128,849	287,649	277,937	429,675	406,786
Infrastructure	623,651	615,623	-	-	623,651	615,623
Construction in progress	67,324	46,068	23,531	14,784	90,855	60,852
Less: accumulated depreciation	(631,795)	(599,457)	(251,087)	(233,820)	(882,882)	(833,277)
Total	<u>\$ 726,848</u>	<u>\$ 695,953</u>	<u>\$ 299,364</u>	<u>\$ 294,407</u>	<u>\$ 1,026,212</u>	<u>\$ 990,360</u>

Major capital asset additions in the governmental funds included:

- Willoughby Commons Building \$ 5.0 million
- Courthouse Generator \$ 1.2 million
- Willoughby Creek Water Quality Improvements \$ 1.2 million
- Holt Jail Air Conditioner \$ 1.1 million
- Holt Jail Generator \$ 1.1 million
- Phipps Park \$ 1.1 million
- Cove Road Resurfacing \$ 1.0 million
- Intersection Signalization \$ 0.9 million
- North River Shores Drainage Restoration \$ 0.7 million

Major capital additions to the enterprise funds included:

- Bulk Chemical Storage Tank Replacement \$ 1.3 million
- High Point Road Water Main Replacement \$ 1.2 million
- Reverse Osmosis Membrane Replacement \$ 1.1 million
- Airport Security Fence \$ 0.7 million
- Dixie Highway and Cove Road Force Mains \$ 0.7 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)

	2021	2020	2021	2020	2021	2020
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Government-wide Total	Government-wide Total
Compensated absences	\$ 16,939	\$ 16,955	\$ 805	\$ 766	\$ 17,744	\$ 17,721
Obligations under capital leases	28,488	28,350	-	-	28,488	28,350
Revenue bonds/notes	80,599	87,918	50,580	55,185	131,179	143,103
Landfill closure cost	-	-	8,386	8,837	8,386	8,837
Other long-term debt	4,669	5,149	9,449	6,973	14,118	12,122
Total	<u>\$ 130,695</u>	<u>\$ 138,372</u>	<u>\$ 69,220</u>	<u>\$ 71,761</u>	<u>\$ 199,915</u>	<u>\$ 210,133</u>

Long-term obligations: At the end of the current fiscal year, the County had total outstanding bonded debt in the amount of \$131.179 million. This amount represents bonds secured solely by specified revenue sources (revenue bonds).

During fiscal year ended September 30, 2021, the County's overall total long-term obligations decreased by \$10.218 million, or 4.86%. Separately, governmental total long-term obligations decreased by \$7.677 million, or 5.55%, while business-type long-term obligations decreased by \$2.541 million, or 3.54%.

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 2021 and 2020 was 4.51% and 4.54%, respectively.

The County's bond ratings as of September 30, 2021, 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, 2021, the County's total taxable values equaled \$23.8 billion, a 5.04% increase as compared to \$22.7 billion in the prior year. The total County-wide average millage, which includes an average for regional MSTU rates, for 2021 is adopted at 10.3651 mills, an increase of 0.07% from 10.3574 mills in 2020.

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, www.martinclerk.com. 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, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 32,118,988	\$ 658,379	\$ 32,777,367
Restricted cash and cash equivalents	3,422,189	1,193,461	4,615,650
Investments	239,684,836	61,002,195	300,687,031
Restricted investments	-	5,651,585	5,651,585
Accounts and assessments receivables	4,231,606	6,088,941	10,320,547
Receivable from other governmental agencies	33,832,788	1,359,158	35,191,946
Inventories	1,769,592	1,579,498	3,349,090
Internal balances	(376,415)	376,415	-
Assets held for resale or donation	26,070	90,000	116,070
Other current assets	325,627	1,500	327,127
Total current assets	315,035,281	78,001,132	393,036,413
Noncurrent assets:			
Restricted investments	-	17,279,314	17,279,314
Restricted due from other governmental units	-	2,156,896	2,156,896
Restricted special assessment notes receivable	-	2,136,559	2,136,559
Total restricted assets	-	21,572,769	21,572,769
Special assessment notes receivable, less current portion	-	5,515,996	5,515,996
Capital assets:			
Land and land use rights - permanent	221,319,960	15,979,471	237,299,431
Land improvements	67,658,551	48,139,440	115,797,991
Buildings and improvements	218,011,190	166,191,891	384,203,081
Infrastructure	623,651,160	-	623,651,160
Equipment	142,025,834	287,649,081	429,674,915
Construction in progress	67,324,183	23,530,274	90,854,457
Intangible - goodwill	-	6,747,420	6,747,420
Intangible - land use rights - temporary	5,716,856	-	5,716,856
Intangible - software	12,935,125	2,213,643	15,148,768
Less accumulated depreciation	(631,795,214)	(251,086,690)	(882,881,904)
Capital assets, net	726,847,645	299,364,530	1,026,212,175
Total noncurrent assets	726,847,645	326,453,295	1,053,300,940
Total assets	1,041,882,926	404,454,427	1,446,337,353
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding debt	501,838	3,150,251	3,652,089
Pension	48,033,771	1,772,184	49,805,955
Other postemployment benefits	20,522,771	555,862	21,078,633
Total deferred outflows of resources	69,058,380	5,478,297	74,536,677

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	15,908,894	8,065,759	23,974,653
Accrued wages payable	5,030,547	591,184	5,621,731
Contracts payable	1,781,635	-	1,781,635
Due to other governmental agencies	17,333,297	-	17,333,297
Accrued interest payable	1,059,751	9,385	1,069,136
Unearned revenue	17,820	249,940	267,760
Deposits and other liabilities	29,983	-	29,983
Current portion of long term obligations	19,234,908	5,898,294	25,133,202
	<u>60,396,835</u>	<u>14,814,562</u>	<u>75,211,397</u>
Payable from restricted assets:			
Deposits and other liabilities	-	1,238,990	1,238,990
Contracts payable	-	1,453,900	1,453,900
	<u>-</u>	<u>2,692,890</u>	<u>2,692,890</u>
Total current liabilities	<u>60,396,835</u>	<u>17,507,452</u>	<u>77,904,287</u>
Noncurrent liabilities:			
Noncurrent portion of long term obligations	111,459,500	63,321,222	174,780,722
Other postemployment benefits liability	179,945,659	3,220,054	183,165,713
Net pension liability	75,544,918	3,073,802	78,618,720
Total noncurrent liabilities	<u>366,950,077</u>	<u>69,615,078</u>	<u>436,565,155</u>
Total liabilities	<u>427,346,912</u>	<u>87,122,530</u>	<u>514,469,442</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	136,178,341	5,145,752	141,324,093
Other postemployment benefits	14,329,773	160,069	14,489,842
Total deferred inflows of resources	<u>150,508,114</u>	<u>5,305,821</u>	<u>155,813,935</u>
NET POSITION			
Net investment in capital assets	644,479,645	240,200,094	884,679,739
Restricted:			
Permanent fund - nonexpendable	22,674	-	22,674
Recreation projects	4,637,612	-	4,637,612
Public safety	7,933,873	-	7,933,873
Housing grants and other	4,835,317	-	4,835,317
Debt service	1,996,944	200,200	2,197,144
Capital projects - county buildings	30,908,355	-	30,908,355
Capital projects - transportation projects	19,467,222	-	19,467,222
Capital projects - recreation projects	1,122,804	-	1,122,804
Capital projects - water/sewer projects	-	24,285,891	24,285,891
Airport noise mitigation program	-	90,000	90,000
Clerk of Courts - court operations	1,705,544	-	1,705,544
Permanent fund - expendable	15,008	-	15,008
Unrestricted (deficit)	(184,038,718)	52,728,188	(131,310,530)
Total net position	<u>\$ 533,086,280</u>	<u>\$ 317,504,373</u>	<u>\$ 850,590,653</u>

Martin County, Florida
Statement of Activities
For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 75,361,775	\$ 21,485,811	\$ 930,571	\$ 914,986
Public safety	144,875,113	14,918,377	27,513,375	126,063
Physical environment	16,740,196	10,873	4,006,750	9,143,852
Transportation	29,169,914	12,949,824	2,462,350	8,407,536
Economic environment	4,154,570	-	4,677,700	-
Human services	6,871,475	217,444	1,312,837	-
Culture and recreation	20,136,453	4,471,546	468,306	248,928
Interest and fiscal charges on long-term debt	3,604,741	-	-	-
Total governmental activities	300,914,237	54,053,875	41,371,889	18,841,365
Business-type activities:				
Water	20,004,112	20,580,094	1,192,890	3,702,774
Sewer	16,365,667	16,838,259	976,001	1,823,754
Solid waste	24,840,568	24,322,357	209,661	-
Airport	4,349,095	2,390,699	-	2,591,143
Golf Course	1,841,329	598,792	-	-
Total business-type activities	67,400,771	64,730,201	2,378,552	8,117,671
Total	\$ 368,315,008	\$ 118,784,076	\$ 43,750,441	\$ 26,959,036

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
\$ (52,030,407)	\$ -	\$ (52,030,407)
(102,317,298)	-	(102,317,298)
(3,578,721)	-	(3,578,721)
(5,350,204)	-	(5,350,204)
523,130	-	523,130
(5,341,194)	-	(5,341,194)
(14,947,673)	-	(14,947,673)
(3,604,741)	-	(3,604,741)
(186,647,108)	-	(186,647,108)
-	5,471,646	5,471,646
-	3,272,347	3,272,347
-	(308,550)	(308,550)
-	632,747	632,747
-	(1,242,537)	(1,242,537)
-	7,825,653	7,825,653
(186,647,108)	7,825,653	(178,821,455)

217,707,071	-	217,707,071
30,512,386	-	30,512,386
1,693,712	-	1,693,712
5,870,682	-	5,870,682
948,091	910,004	1,858,095
4,251,128	2,173,969	6,425,097
(913,865)	913,865	-
260,069,205	3,997,838	264,067,043
73,422,097	11,823,491	85,245,588
459,664,183	305,680,882	765,345,065
\$ 533,086,280	\$ 317,504,373	\$ 850,590,653

Martin County, Florida
Balance Sheet
Governmental Funds
September 30, 2021

	General Fund	Consolidated Fire/EMS	Federal Grants	Other State Grants	County Buildings	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$11,036,719	\$ 32,167	\$ 89,040	\$ 291,527	\$ 263,995	\$ 12,302,896	\$ 24,016,344
Cash with fiscal agent	-	3,028,689	-	-	-	-	3,028,689
Investments	47,975,558	11,728,079	10,211,034	405	56,570,637	107,193,737	233,679,450
Accounts receivable	361,042	6,000	2,907	-	-	228,859	598,808
Assessments receivable	-	-	-	-	-	2,704,900	2,704,900
Due from other funds	5,514,473	-	179,917	5,078	-	65,738	5,765,206
Due from other governmental agencies	6,034,896	476,809	6,487,997	5,298,536	-	15,528,394	33,826,632
Inventories	576,224	330,177	-	-	-	708,687	1,615,088
Assets held for resale or donation	-	-	-	-	-	26,070	26,070
Prepaid items	29,922	-	26,102	-	-	265,603	321,627
Total assets	\$71,528,834	\$ 15,601,921	\$ 16,996,997	\$ 5,595,546	\$ 56,834,632	\$ 139,024,884	\$ 305,582,814
Liabilities							
Accounts payable	\$ 3,346,426	\$ 339,110	\$ 768,790	\$ 370,615	\$ 2,404,168	\$ 6,229,582	\$ 13,458,691
Accrued wages payable	1,838,899	2,201,860	20,791	6,109	28,235	902,336	4,998,230
Contracts payable - retainage	-	2,520	226,334	50,782	425,632	1,076,367	1,781,635
Due to other funds	419,719	-	5,078	5,002,375	173,108	577,404	6,177,684
Due to other governmental agencies	1,294,641	-	15,636,182	-	-	402,474	17,333,297
Unearned revenue	-	-	-	-	-	17,820	17,820
Deposits and other liabilities	29,983	-	-	-	-	-	29,983
Total liabilities	6,929,668	2,543,490	16,657,175	5,429,881	3,031,143	9,205,983	43,797,340
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	1,923,861	444,695	2,384,359	4,929,879	-	8,517,614	18,200,408
FUND BALANCES							
Nonspendable:							
Inventories and assets held for resale	576,224	330,177	-	-	-	708,687	1,615,088
Permanent fund principal	-	-	-	-	-	22,674	22,674
Prepaid items	29,922	-	-	-	-	265,603	295,525
Restricted for:							
Bond covenants or debt service	-	-	-	-	-	1,996,944	1,996,944
Culture and recreation projects	-	-	-	-	-	4,637,612	4,637,612
Public safety	-	-	-	-	-	7,801,073	7,801,073
Housing grants and other	509,410	-	(2,044,537)	(4,764,214)	160,000	8,425,584	2,286,243
Court operations	420,808	-	-	-	-	1,630,204	2,051,012
Capital projects	-	-	-	-	30,908,355	20,211,937	51,120,292
Other restricted purposes	-	-	-	-	-	4,781,157	4,781,157
Committed to:							
Ordinance/MSTU/Other	-	12,283,559	-	-	-	42,885,178	55,168,737
Ordinance/Judicial	-	-	-	-	-	504,235	504,235
Ordinance/Culture and recreation	-	-	-	-	-	40,794	40,794
Ordinance/CRA	-	-	-	-	-	8,720,286	8,720,286
Ordinance/Economic Development	-	-	-	-	-	1,015,169	1,015,169
Assigned to:							
Capital projects	4,155,658	-	-	-	40,826	15,506,643	19,703,127
OPEB	9,508,918	-	-	-	-	-	9,508,918
Disaster recovery	6,579,714	-	-	-	-	-	6,579,714
Employee benefits	1,500,000	-	-	-	-	-	1,500,000
Other assigned purposes	1,200,825	-	-	-	22,694,308	2,147,507	26,042,640
Unassigned:	38,193,826	-	-	-	-	-	38,193,826
Total fund balances	62,675,305	12,613,736	(2,044,537)	(4,764,214)	53,803,489	121,301,287	243,585,066
Total liabilities, deferred inflows and fund balances	\$71,528,834	\$ 15,601,921	\$ 16,996,997	\$ 5,595,546	\$ 56,834,632	\$ 139,024,884	\$ 305,582,814

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, 2021

Fund Balances - total governmental funds	\$ 243,585,066
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	68,556,542
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:	
Capital assets	1,353,611,476
Accumulated depreciation	(627,978,304)
	<u>725,633,172</u>
Certain grant revenues and other miscellaneous revenues which do not provide current financial resources are reported as unavailable in the governmental funds.	18,200,408
Deferred inflows of resources related to Pensions and OPEB are recorded in the Statement of Net Position.	(150,508,114)
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	(16,884,527)
Capital leases	(28,487,566)
Accrued interest on bonds	(1,059,751)
Revenue bonds	(36,575,000)
Revenue notes	(44,023,712)
Deferred amount on refunding	501,838
Unamortized bond premium	(4,669,479)
Other postemployment benefits liabilities	(179,945,659)
Net pension liabilities	(75,544,918)
Total long term obligations	<u>(386,688,774)</u>
Internal service funds used by management	<u>14,307,980</u>
Net position of governmental activities	<u>\$ 533,086,280</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, 2021

	General Fund	Consolidated Fire/EMS	Federal Grants	Other State Grants	County Buildings	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 129,612,952	\$ 47,815,268	\$ -	\$ -	\$ 12,636,400	\$ 40,610,419	\$ 230,675,039
Permits, fees and special assessments	1,113,608	-	-	-	142,359	22,526,989	23,782,956
Intergovernmental revenues	21,196,800	888,374	31,774,857	2,332,053	124,152	20,509,094	76,825,330
Charges for services	15,035,196	7,808,373	-	-	-	5,250,253	28,093,822
Fines and forfeitures	1,317,585	-	-	-	121,788	560,963	2,000,336
Interest income	230,370	62,412	300	309	197,178	455,829	946,398
Contributions - private sources & donations	90,930	1,100	-	-	544	760,365	852,939
Miscellaneous revenues	6,910,829	27,277	17,189	-	47,012	1,079,227	8,081,534
Total revenues	175,508,270	56,602,804	31,792,346	2,332,362	13,269,433	91,753,139	371,258,354
EXPENDITURES							
Current:							
General government	55,485,459	3,523,498	861,088	431,735	711,697	7,387,409	68,400,886
Public safety	94,325,617	47,184,581	345,848	257,170	23,215	10,658,016	152,794,447
Physical environment	1,164,416	-	111,692	6,614,405	472,147	6,292,852	14,655,512
Transportation	566,659	-	1,211,148	1,053,057	543,865	11,650,122	15,024,851
Economic environment	286,074	-	768,794	-	8,620	3,163,708	4,227,196
Human services	2,368,545	-	466,376	50,688	-	3,912,990	6,798,599
Culture and recreation	12,940,041	-	-	68,806	1,003,008	3,803,491	17,815,346
Capital outlay	11,789,431	2,603,867	5,593,463	1,286,258	18,977,410	24,335,645	64,586,074
Debt service:							
Principal	1,863,608	1,264,764	-	-	1,747,028	7,319,273	12,194,673
Interest	183,494	146,872	-	-	449,056	3,262,775	4,042,197
Other debt service costs	420	4,460	-	-	2,520	15,670	23,070
Total expenditures	180,973,764	54,728,042	9,358,409	9,762,119	23,938,566	81,801,951	360,562,851
Excess (deficiency) of revenues over (under) expenditures	(5,465,494)	1,874,762	22,433,937	(7,429,757)	(10,669,133)	9,951,188	10,695,503
OTHER FINANCING SOURCES (USES)							
Issuance of debt	5,012,851	-	-	-	-	-	5,012,851
Transfers in	25,709,379	-	224,640	3,946,681	2,056,088	9,865,699	41,802,487
Transfers out	(6,214,349)	(3,379,776)	(23,073,011)	-	(200,000)	(9,826,874)	(42,694,010)
Total other financing sources (uses)	24,507,881	(3,379,776)	(22,848,371)	3,946,681	1,856,088	38,825	4,121,328
Net change in fund balances	19,042,387	(1,505,014)	(414,434)	(3,483,076)	(8,813,045)	9,990,013	14,816,831
Fund balances - beginning	43,632,918	14,118,750	(1,630,103)	(1,281,138)	62,616,534	111,311,274	228,768,235
Fund balances - ending	\$ 62,675,305	\$ 12,613,736	\$ (2,044,537)	\$ (4,764,214)	\$ 53,803,489	\$ 121,301,287	\$ 243,585,066

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, 2021

Net change in fund balances - total governmental funds	\$ 14,816,831
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	64,586,074
Depreciation Expense	(33,621,123)
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	(5,012,851)
Principal payments for loans and notes	7,319,273
Deferred amount on refunding	(100,367)
Deferred amount of bond premium	479,824
Principal payments for capital leases	4,875,400
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	12,158
Pension expense	18,146,736
Accrued interest on long term debt (net of prior year accrual)	81,067
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 \$3,288,840 less accumulated depreciation of \$1,431,461	(1,857,379)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Donated property ~ Sheriff	95,000
Donated property ~ Board of Commissioners	1,622,513
Some revenues reported in the Statement of Activities are not reported in the governmental funds because they have no effect on current financial resources.	
	5,415,817
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.	
	(91,982)
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.	
	(3,344,894)
Change in net position of governmental activities	\$ 73,422,097

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Taxes	\$ 128,040,075	\$ 128,040,075	\$ 129,612,952	\$ 1,572,877
Permits, fees and special assessments	850,000	850,000	1,113,608	263,608
Intergovernmental revenues	15,090,223	18,205,852	21,196,800	2,990,948
Charges for services	15,251,276	15,607,619	15,035,196	(572,423)
Fines and forfeitures	1,520,904	1,356,904	1,317,585	(39,319)
Interest income	692,844	692,844	230,370	(462,474)
Contributions - private sources & donations	1,999,320	2,000,070	90,930	(1,909,140)
Miscellaneous revenues	5,327,502	5,862,877	6,910,829	1,047,952
Statutory budget reduction	(500,000)	(500,000)	-	500,000
Total revenues	168,272,144	172,116,241	175,508,270	3,392,029
EXPENDITURES				
Current:				
General government	58,440,963	66,956,642	55,485,459	11,471,183
Public safety	78,848,292	80,853,447	94,325,617	(13,472,170)
Physical environment	711,522	1,761,522	1,164,416	597,106
Transportation	1,055,455	975,811	566,659	409,152
Economic environment	385,544	523,400	286,074	237,326
Human services	2,568,462	2,641,996	2,368,545	273,451
Culture and recreation	12,836,048	13,537,321	12,940,041	597,280
Capital outlay	5,669,608	13,149,498	11,789,431	1,360,067
Debt service:				
Principal	974,698	974,698	1,863,608	(888,910)
Interest	36,162	36,162	183,494	(147,332)
Other debt service costs	4,500	4,500	420	4,080
Total expenditures	161,531,254	181,414,997	180,973,764	441,233
Excess (deficiency) of revenues over (under) expenditures	6,740,890	(9,298,756)	(5,465,494)	3,833,262
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	5,012,851	5,012,851
Transfers in	324,712	1,759,432	25,709,379	23,949,947
Transfers out	(5,259,507)	(6,582,979)	(6,214,349)	368,630
Reserves	(16,882,023)	(28,460,285)	-	28,460,285
Total other financing sources (uses)	(21,816,818)	(33,283,832)	24,507,881	57,791,713
Net change in fund balances	\$ (15,075,928)	\$ (42,582,588)	\$ 19,042,387	\$ 61,624,975
Fund balances - beginning	15,075,928	42,582,588	43,632,918	
Fund balances - ending	\$ -	\$ -	\$ 62,675,305	

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 47,236,728	\$ 47,236,728	\$ 47,815,268	\$ 578,540
Intergovernmental revenues	741,401	827,906	888,374	60,468
Charges for services	7,213,351	7,448,351	7,808,373	360,022
Interest income	150,000	150,000	62,412	(87,588)
Contributions - private sources & donations	-	-	1,100	1,100
Miscellaneous revenues	85,000	85,000	27,277	(57,723)
Statutory budget reduction	(50,000)	(50,000)	-	50,000
Total revenues	55,376,480	55,697,985	56,602,804	904,819
EXPENDITURES:				
Current:				
General government	2,849,513	2,707,921	3,523,498	(815,577)
Public safety	45,778,686	48,369,242	47,184,581	1,184,661
Capital outlay	728,500	7,377,009	2,603,867	4,773,142
Debt service:				
Principal	1,157,764	1,293,470	1,264,764	28,706
Interest	118,169	118,169	146,872	(28,703)
Other debt service costs	5,000	5,000	4,460	540
Total expenditures	50,637,632	59,870,811	54,728,042	5,142,769
Excess (deficiency) of revenues over (under) expenditures	4,738,848	(4,172,826)	1,874,762	6,047,588
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,989,579)	(3,389,579)	(3,379,776)	9,803
Reserves	(2,250,000)	(6,395,592)	-	6,395,592
Total other financing sources (uses)	(5,239,579)	(9,785,171)	(3,379,776)	6,405,395
Net change in fund balances	(500,731)	(13,957,997)	(1,505,014)	\$ 12,452,983
Fund balances - beginning	500,731	13,957,997	14,118,750	
Fund balances - ending	\$ -	\$ -	\$ 12,613,736	

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Intergovernmental revenues	\$ 319,022	\$ 55,337,527	\$ 31,774,857	\$ (23,562,670)
Interest income	-	-	300	300
Miscellaneous revenues	-	-	17,189	17,189
Total revenues	<u>319,022</u>	<u>55,337,527</u>	<u>31,792,346</u>	<u>(23,545,181)</u>
EXPENDITURES:				
Current:				
General government	319,022	1,940,391	861,089	1,079,302
Public safety	-	22,243,987	345,848	21,898,139
Physical environment	-	3,662,827	111,692	3,551,135
Transportation	-	6,497,871	1,211,148	5,286,723
Economic environment	-	1,186,015	768,794	417,221
Human services	-	836,346	466,376	369,970
Capital outlay	-	20,755,072	5,593,463	15,161,609
Total expenditures	<u>319,022</u>	<u>57,122,509</u>	<u>9,358,410</u>	<u>47,764,099</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(1,784,982)</u>	<u>22,433,936</u>	<u>24,218,918</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,762,849	224,640	(1,538,209)
Transfers out	-	-	(23,073,011)	(23,073,011)
Reserves	-	(123,381)	-	123,381
Total other financing sources (uses)	<u>-</u>	<u>1,639,468</u>	<u>(22,848,371)</u>	<u>(24,487,839)</u>
Net change in fund balances	-	(145,514)	(414,435)	<u><u>\$ (268,921)</u></u>
Fund balances - beginning	-	145,514	(1,630,103)	
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (2,044,538)</u></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
Other State Grants
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
Intergovernmental revenues	\$ -	\$ 16,816,472	\$ 2,332,053	\$ (14,484,419)
Interest income	-	-	309	309
Total revenues	-	16,816,472	2,332,362	(14,484,110)
EXPENDITURES				
Current				
General government	-	1,814,103	431,735	1,382,368
Public safety	-	339,730	257,170	82,560
Physical environment	-	16,957,180	6,614,405	10,342,775
Transportation	-	1,769,932	1,053,057	716,875
Human services	-	50,688	50,688	-
Culture and recreation	-	(176,266)	68,806	(245,072)
Capital outlay	-	6,810,734	1,286,258	5,524,476
Total expenditures	-	27,566,101	9,762,119	17,803,982
Excess (deficiency) of revenues over				
(under) expenses	-	(10,749,629)	(7,429,757)	3,319,872
OTHER FINANCING SOURCES (USES)				
Transfers in	-	11,000,826	3,946,681	(7,054,145)
Net change in fund balances	\$ -	\$ 251,197	(3,483,076)	\$ (3,734,273)
Fund balances, beginning	-	(251,197)	(1,281,138)	
Fund balances, ending	\$ -	\$ -	\$ (4,764,214)	

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

Martin County, Florida
Statement of Net Position
Proprietary Funds
September 30, 2021

	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	\$ 351,009	\$ 236,032	\$ 71,338	\$ 658,379	\$ 8,102,644
Restricted cash	1,193,461	-	-	1,193,461	393,500
Investments	38,277,812	20,922,862	1,801,521	61,002,195	6,005,386
Restricted investments	5,062,018	589,567	-	5,651,585	-
Accounts receivable	4,342,093	625,724	25,197	4,993,014	927,898
Advance receivable from utilities	-	663,791	-	663,791	-
Special assessments notes receivable, current	1,095,927	-	-	1,095,927	-
Due from other funds	8,535	-	-	8,535	412,478
Receivables from other governmental agencies	-	15,397	1,343,762	1,359,159	6,156
Inventories	1,568,962	-	10,536	1,579,498	154,504
Assets held for resale or donation	-	-	90,000	90,000	-
Prepaid items	1,500	-	-	1,500	4,000
Total current assets	51,901,317	23,053,373	3,342,354	78,297,044	16,006,566
Noncurrent assets:					
Advance receivable from utilities	-	5,920,580	-	5,920,580	-
Restricted assets:					
Due from other governmental units	2,156,896	-	-	2,156,896	-
Investments	17,272,152	7,162	-	17,279,314	-
Special assessments notes receivable	2,136,559	-	-	2,136,559	-
Total restricted assets	21,565,607	7,162	-	21,572,769	-
Special assessment notes receivable, less current portion	5,515,996	-	-	5,515,996	-
Capital assets:					
Land and land use rights - permanent	5,974,413	1,836,230	6,875,978	14,686,621	-
Buildings	147,046,626	11,638,163	7,507,102	166,191,891	-
Equipment	9,209,877	6,187,540	1,670,606	17,068,023	5,031,383
Water distribution system	128,757,742	-	-	128,757,742	-
Sewer collection system	141,823,315	-	-	141,823,315	-
Land improvements	-	12,354,989	1,355,456	13,710,445	-
Airport improvements	-	-	34,428,995	34,428,995	-
Construction in progress	21,169,036	233,342	2,127,896	23,530,274	-
Intangible assets	10,213,739	25,097	15,076	10,253,912	-
Less accumulated depreciation	(209,709,429)	(19,700,896)	(21,676,364)	(251,086,689)	(3,816,910)
Capital assets, net	254,485,319	12,574,465	32,304,745	299,364,529	1,214,473
Total noncurrent assets	281,566,922	18,502,207	32,304,745	332,373,874	1,214,473
Total assets	333,468,239	41,555,580	35,647,099	410,670,918	17,221,039
DEFERRED OUTFLOWS OF RESOURCES					
Loss on refunding debt	3,150,251	-	-	3,150,251	-
Pension	1,340,592	304,202	127,390	1,772,184	-
Other postemployment benefits	490,181	33,828	31,853	555,862	-
Total deferred outflows of resources	4,981,024	338,030	159,243	5,478,297	-

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	2,954,855	4,517,978	592,926	8,065,759	2,450,201
Accrued wages payable	439,936	107,804	43,444	591,184	32,317
Due to other funds	-	8,535	-	8,535	-
Accrued interest payable	9,385	-	-	9,385	-
Accrued compensated absences, current	341,866	32,321	37,500	411,687	46,000
Current portion of loans and notes payable	167,040	-	-	167,040	-
Current portion of advance from solid waste	663,791	-	-	663,791	-
Unearned revenue	-	242,863	7,077	249,940	-
	<u>4,576,873</u>	<u>4,909,501</u>	<u>680,947</u>	<u>10,167,321</u>	<u>2,528,518</u>
Payable from restricted assets:					
Landfill closure costs, current	-	589,567	-	589,567	-
Deposits	1,238,990	-	-	1,238,990	-
Contracts payable	1,453,900	-	-	1,453,900	-
Bonds payable current portion	<u>4,730,000</u>	<u>-</u>	<u>-</u>	<u>4,730,000</u>	<u>-</u>
	<u>7,422,890</u>	<u>589,567</u>	<u>-</u>	<u>8,012,457</u>	<u>-</u>
Total current liabilities	<u>11,999,763</u>	<u>5,499,068</u>	<u>680,947</u>	<u>18,179,778</u>	<u>2,528,518</u>
Noncurrent liabilities:					
Accrued compensated absences	250,117	113,530	29,274	392,921	8,124
Other postemployment benefits liability	2,839,571	195,964	184,519	3,220,054	-
Net pension liability	2,325,221	527,627	220,954	3,073,802	-
Loans and notes payable	3,497,347	-	-	3,497,347	-
Advance from solid waste	5,920,580	-	-	5,920,580	-
Bonds payable, net of current portion	51,634,644	-	-	51,634,644	-
Landfill closure costs	-	7,796,310	-	7,796,310	-
Total noncurrent liabilities	<u>66,467,480</u>	<u>8,633,431</u>	<u>434,747</u>	<u>75,535,658</u>	<u>8,124</u>
Total liabilities	<u>78,467,243</u>	<u>14,132,499</u>	<u>1,115,694</u>	<u>93,715,436</u>	<u>2,536,642</u>
DEFERRED INFLOWS OF RESOURCES					
Pension	3,892,575	883,284	369,893	5,145,752	-
Other postemployment benefits	<u>141,155</u>	<u>9,741</u>	<u>9,173</u>	<u>160,069</u>	<u>-</u>
Total deferred inflows of resources	<u>4,033,730</u>	<u>893,025</u>	<u>379,066</u>	<u>5,305,821</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	195,320,882	12,574,464	32,304,748	240,200,094	1,214,473
Restricted:					
Capital projects	24,285,891	-	-	24,285,891	-
Bond covenants or debt service	200,200	-	-	200,200	-
Noise abatement projects	-	-	90,000	90,000	-
Unrestricted	<u>36,141,317</u>	<u>14,293,622</u>	<u>1,916,834</u>	<u>52,351,773</u>	<u>13,469,924</u>
Total net position	<u>\$ 255,948,290</u>	<u>\$ 26,868,086</u>	<u>\$ 34,311,582</u>	<u>317,127,958</u>	<u>\$ 14,684,397</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				376,415	
Net position business-type activities				<u>317,504,373</u>	

Martin County, Florida
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2021

	Business Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Water/Sewer Utilities	Solid Waste	Nonmajor Enterprise Funds	Total
OPERATING REVENUES				
Charges for services	\$ 37,418,353	\$ 24,322,357	\$ 2,989,491	\$ 64,730,201
Miscellaneous revenues	1,791,216	321,807	60,944	2,173,967
Total operating revenues	39,209,569	24,644,164	3,050,435	66,904,168
OPERATING EXPENSES				
Salaries and related expenses	8,302,039	1,770,731	796,695	10,869,465
General and administrative and claims	3,513,388	3,960	989,889	4,507,237
Operating and maintenance	7,655,819	21,856,726	1,991,283	31,503,828
Landfill closure and post closure care costs	-	260,880	-	260,880
Depreciation and amortization	14,463,352	1,002,297	2,415,352	17,881,001
Total operating expenses	33,934,598	24,894,594	6,193,219	65,022,411
Operating income (loss)	5,274,971	(250,430)	(3,142,784)	1,881,757
NONOPERATING REVENUES				
(EXPENSES)				
Interest income	668,755	235,721	5,528	910,004
Grant income	2,168,891	209,661	-	2,378,552
Interest expense	(2,056,312)	-	-	(2,056,312)
Amortization of bond discount	(422,383)	-	-	(422,383)
Gain (loss) on disposition of capital assets	28,734	48,287	-	77,021
Total net nonoperating revenues	387,685	493,669	5,528	886,882
(expenses)	387,685	493,669	5,528	886,882
Income (loss) before contributions and transfers	5,662,656	243,239	(3,137,256)	2,768,639
Capital contributions	5,526,528	-	2,613,485	8,140,013
Transfers in	-	-	1,060,000	1,060,000
Transfers out	(168,477)	-	-	(168,477)
Change in net position	11,020,707	243,239	536,229	11,800,175
Total net position - beginning	244,927,583	26,624,847	33,775,353	14,753,063
Total net position - ending	\$ 255,948,290	\$ 26,868,086	\$ 34,311,582	\$ 14,684,397
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				23,316
Change in net position business type activities				\$ 11,823,491

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, 2021

	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	\$ 36,920,233	\$ 24,288,133	\$ 2,987,330	\$ 64,195,696	\$ 38,136,076
Other receipts	1,791,217	321,807	60,944	2,173,968	4,081,334
Payments for salaries and benefits	(8,148,134)	(1,711,375)	(816,694)	(10,676,203)	(584,537)
Payments to suppliers	(10,547,995)	(21,102,473)	(2,875,539)	(34,526,007)	(43,892,589)
Payments for long-term care costs	-	(256,166)	-	(256,166)	-
Payments for landfill closure cost	-	(450,839)	-	(450,839)	-
Other payments	114,905	25,436	-	140,341	-
Net cash provided (used) by operating activities	20,130,226	1,114,523	(643,959)	20,600,790	(2,259,716)
CASH FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers from (to) other funds	(168,477)	1,554	1,060,000	893,077	-
Operating grants	-	209,661	-	209,661	-
Net cash provided by noncapital financing activities	(168,477)	211,215	1,060,000	1,102,738	-
CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital grants received	11,995	-	1,996,302	2,008,297	-
Capital contributions	1,202,856	-	-	1,202,856	-
Distribution of special assessment fees	5,444,066	-	-	5,444,066	-
Purchases of capital assets	(18,405,574)	(1,252,464)	(2,713,045)	(22,371,083)	(599,223)
Advances from other funds for capital activities	(81,526)	81,526	-	-	-
Principal paid on capital debt	(1,787,849)	-	-	(1,787,849)	-
Proceeds from sale of assets	35,391	67,900	-	103,291	249,204
Interest payment on bonds, notes and loans	(2,399,467)	-	-	(2,399,467)	-
Net cash provided (used) by capital and related financing activities	(15,980,108)	(1,103,038)	(716,743)	(17,799,889)	(350,019)
CASH FROM INVESTING ACTIVITIES:					
Purchase of investments	(4,457,743)	(500,929)	(269,806)	(5,228,478)	2,577,075
Interest received	668,755	235,721	5,528	910,004	20,540
Net cash used in investing activities	(3,788,988)	(265,208)	(264,278)	(4,318,474)	2,597,615
Net increase (decrease) in cash and cash equivalents	192,653	(42,508)	(564,980)	(414,835)	(12,120)
Cash and cash equivalents at beginning of period	1,351,817	278,540	636,318	2,266,675	8,508,264
Cash and cash equivalents at end of period	<u>\$ 1,544,470</u>	<u>\$ 236,032</u>	<u>\$ 71,338</u>	<u>\$ 1,851,840</u>	<u>\$ 8,496,144</u>

(continued)

Martin County, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2021

	Business Type Activities Enterprise Funds				Governmental Activities - Internal Service Funds
	Water/Sewer Utilities	Solid Waste	Non-Major Enterprise Funds	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ 5,274,971	\$ (250,430)	\$ (3,142,784)	\$ 1,881,757	\$ (338,409)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	14,463,352	1,002,297	2,415,352	17,881,001	529,195
Changes in assets and liabilities:					
Accounts receivable, net	(498,120)	(34,224)	(2,112)	(534,456)	49,991
Deferred outflows, pension	720,894	148,083	75,373	944,350	-
Deferred outflow - OPEB	(23,915)	(1,650)	(1,554)	(27,119)	-
Unearned revenue	-	-	(51)	(51)	-
Due from other funds	-	-	-	-	(1,613,198)
Inventories	(578,630)	-	(5,600)	(584,230)	(32,353)
Other current assets	(1,500)	-	-	(1,500)	-
Accounts payable	1,201,343	762,927	111,235	2,075,505	(855,698)
Accrued wages	66,763	22,625	1,016	90,404	5,181
Deferred inflows, pension	3,748,498	851,674	355,724	4,955,896	-
Deferred inflow - OPEB	(26,432)	(1,824)	(1,717)	(29,973)	-
Net pension liability	(4,521,944)	(974,626)	(452,516)	(5,949,086)	-
Other post-employment benefits	150,136	10,361	9,756	170,253	-
Landfill closure costs	-	(450,839)	-	(450,839)	-
Accrued compensated absences	39,905	4,713	(6,081)	38,537	(4,425)
Customer deposits	114,905	25,436	-	140,341	-
Net cash provided (used) by operating activities:	<u>\$ 20,130,226</u>	<u>\$ 1,114,523</u>	<u>\$ (643,959)</u>	<u>\$ 20,600,790</u>	<u>\$ (2,259,716)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Contributions of capital assets	\$ -	\$ -	\$ 22,342	\$ 22,342	\$ 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, 2021

	Private Purpose Trust Funds	Custodial Funds	Total Fiduciary Funds
ASSETS			
Cash and cash equivalents	\$ 55,038	\$ 10,406,841	\$ 10,461,879
Investments	427,388	1,287,129	1,714,517
Accounts receivable	-	411,097	411,097
Total assets	482,426	12,105,067	12,587,493
LIABILITIES			
Accounts payable	-	160,585	160,585
Due to other governmental agencies	-	5,811,926	5,811,926
Deposits from individuals and corporations	-	99,372	99,372
Total liabilities	-	6,071,883	6,071,883
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	-	6,033,184	6,033,184
Held in trust	482,426	-	482,426
	\$ 482,426	\$ 6,033,184	\$ 6,515,610

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, 2021

	Private Purpose Trust Funds	Custodial Funds	Total Fiduciary Funds
ADDITIONS:			
Fees and charges collected for others	\$ -	\$ 19,695,839	\$ 19,695,839
Tax collections for other governments	-	239,859,903	239,859,903
Fines and forfeitures	63,301	-	63,301
Interest income	1,329	-	1,329
Miscellaneous	-	11,622,876	11,622,876
Total additions	64,630	271,178,618	271,243,248
DEDUCTIONS:			
Payments to individuals, organizations, and other governments	-	260,213,056	260,213,056
Miscellaneous	923	10,399,709	10,400,632
Human services	45,074	-	45,074
Total deductions	45,997	270,612,765	270,658,762
Change in net position	18,633	565,853	584,486
Net position - beginning	463,793		463,793
Net position - beginning, as restated		5,467,331	5,467,331
Net position - ending	\$ 482,426	\$ 6,033,184	\$ 6,515,610

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



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Martin County, Florida

September 30, 2021

NOTES TO THE FINANCIAL STATEMENTS

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Martin County, Florida
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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 Annual Comprehensive 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
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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”).

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, as a department of the Board, is controlled by and fiscally dependent on the Board and provides services exclusively or almost exclusively for the benefit of the County. All CRA department staff are employees of the Board, and any independent contractors utilized by the CRA are Board vendors. There were no new projects started in this fiscal year.

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

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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.

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

Other State Grants: This fund accounts for the entire County's state grants, excluding State Housing Initiative Program, 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.

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The *custodial funds* are used to account for assets of governmental units in the capacity of a trustee or agent for individuals, private organizations, or other governmental units. The Board of County Commissioners' custodial fund holds various impact fees collected on behalf of other government agencies, as well as miscellaneous deposits. The Clerk's custodial fund holds fines and fees due to other governmental agencies and various court related deposits. The Sheriff's custodial fund holds monies collected by various Sheriff departments, and by other governmental units or individuals. Sources of monies come from drug and traffic stops, various process and traffic fees, deposits, bonds, and inmates' and recruits' property. The Tax Collector's custodial fund holds taxes that have been collected and are due to other governmental agencies.

In fiscal year 2021, the County implemented GASB Statement No. 84, *Fiduciary Activities*. This results in the following: the Board has a prior period adjustment of \$1,096,466, the Clerk has a prior period adjustment of \$3,884,367, and the Sheriff has a prior period adjustment of \$486,498. These amounts were previously reported as liabilities and are now classified as Restricted Net Position. The County has also determined that the criteria in paragraph 18 of GASB Statement No. 84 has been met, and these fiduciary activities should be reported in Custodial funds.

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.

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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 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

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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 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

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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 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.

Florida Short Term Asset Reserve (FLSTAR) and Florida Cooperative Liquid Assets Securities System (FLCLASS) were created under Section 163.01, Florida Statutes and operates as an intergovernmental investment pool as described in Section 218.415, Florida Statutes. All funds and investment assets are held in trust and managed by a Board of Trustees for the benefit of the participants. FLSTAR's policy seeks to invest pooled assets in a manner that will provide for preservation and safety of principal and competitive investment returns while meeting the daily liquidity needs of the participants by utilizing economies of scale and professional investment expertise. Because the County's investment in FLSTAR and FLCLASS is measured at a NAV fair value per share, it is 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.

Martin County, Florida
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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 \$376,415 (negative for Governmental Activities and positive for Business-Type Activities) for fiscal year 2021, which is the cumulative adjustment to 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 2021 portion of the internal service funds’ decrease was \$(23,316). That amount is combined with the previous year’s cumulative total of \$353,099. 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

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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.

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*

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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.

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.

Martin County, Florida
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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 2021 includes \$15,584,820 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.

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.

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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 fair 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 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.

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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	\$ 32,118,988	\$ 658,379	\$ 10,461,879	\$ 43,239,246
Restricted cash and cash equivalents	3,422,189	1,193,461	-	4,615,650
Investments	239,684,836	61,002,195	1,714,517	302,401,548
Restricted investments - current	-	5,651,585	-	5,651,585
Restricted investments - noncurrent	-	17,279,314	-	17,279,314
	<u>\$ 275,226,013</u>	<u>\$ 85,784,934</u>	<u>\$ 12,176,396</u>	<u>\$ 373,187,343</u>

As of September 30, 2021, 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, 2021. 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.

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Investments by Level	Fair Value as of 9/30/2021	Fair Value Measurements Using		
		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	\$ 55,234,080	\$ -	\$ 55,234,080	\$ -
FHLB Agency Bullet	10,049,950	-	10,049,950	-
FHLMC Agency Bullet	45,053,050	-	45,053,050	-
Total investments at fair value	<u>110,337,080</u>	<u>\$ -</u>	<u>\$ 110,337,080</u>	<u>\$ -</u>
Investments Reported at Amortized Cost				
Florida PRIME	98,097,066			
FLGIT - Day-to-Day Fund	14,077,249			
Certificates of deposit, TrustCo	<u>10,000,000</u>			
Total investments reported at amortized cost	<u>122,174,315</u>			
Investments Reported at NAV share value				
FLGIT - Short Term Bond Fund	11,102,551			
FLCLASS	25,137,866			
FLSTAR	<u>5,000,906</u>			
Total investments reported at NAV share value	<u>41,241,323</u>			
Total investments	<u>273,752,718</u>			
Cash deposits	<u>99,434,625</u>			
Total cash and cash equivalents and investments	<u>\$ 373,187,343</u>			

Martin County, Florida
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Credit Risk and Concentration of Credit Risk

Investment	Amount	Percentage of Portfolio	Standard & Poor's / Fitch Investment Rating
Florida Prime Investment Pool (SBA)	\$ 98,097,066	26.29 %	AAAm
FLCLASS Local Government Investment Pool	25,137,866	6.74	AAAm
Florida Local Government Investment Trust (Short Term Bond Fund)	11,102,551	2.98	AAAf
Florida Local Government Investment Trust (Day to Day fund)	14,077,249	3.77	AAAm
FLSTAR	5,000,906	1.34	AAAm0
U.S. Agency Bonds	55,103,000	14.77	AA+
U.S. Treasuries	55,234,080	14.80	N/A
Certificates of deposit	10,000,000	2.68	N/A
Cash and Receivables	99,434,625	26.64	N/A
	<u>\$ 373,187,343</u>	<u>100.01 %</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

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Notes to Financial Statements
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Interest Rate Risk

		Effective Duration in Years		
Investment type	Fair Value as of 9/30/2021	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 1.7 years)	\$ 11,102,551	\$ 2,176,100	\$ 8,499,003	\$ 427,448
U.S. Treasuries	55,234,080	20,118,450	35,115,630	-
U.S. Agency Bonds	55,103,000	40,113,750	14,989,250	-
		<u>\$ 62,408,300</u>	<u>\$ 58,603,883</u>	<u>\$ 427,448</u>
Other investment:				
Florida Prime Investment Pool (SBA)	98,097,066			
FLCLASS Local Government Investment Pool	25,137,866			
Florida Local Government Investment Trust Day to Day fund	14,077,249			
FLSTAR Local Government Investment Pool	5,000,906			
Certificates of deposit	10,000,000			
Cash and Cash Deposits	99,434,625			
	<u>\$ 373,187,343</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.

Martin County, Florida
Notes to Financial Statements
September 30, 2021

Foreign Currency Risk

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

Note 3 - Interfund Receivables and Payables

Interfund balances at September 30, 2021, are expected to be repaid within one year. Interfund receivable and payable balances for the year ended September 30, 2021, were as follows:

Payable Fund	Receivable Fund							Total
	General Fund	Federal Grants	State Grants	Nonmajor Governmental Funds	Water/Sewer Utilities	Solid Waste	Internal Service Funds	
General Fund	\$ -	\$ -	\$ -	\$ 7,241	\$ -	\$ -	\$412,478	\$ 419,719
Federal Grants	-	-	5,078	-	-	-	-	5,078
State Grants	5,000,000	2,375	-	-	-	-	-	5,002,375
County Buildings	-	173,108	-	-	-	-	-	173,108
Nonmajor governmental funds	514,473	4,434	-	58,497	-	-	-	577,404
Water/Sewer Utilities	-	-	-	-	-	663,791	-	663,791
Solid Waste Fund	-	-	-	-	8,535	-	-	8,535
Total receivables and payables	<u>\$5,514,473</u>	<u>\$179,917</u>	<u>\$ 5,078</u>	<u>\$ 65,738</u>	<u>\$ 8,535</u>	<u>\$663,791</u>	<u>\$412,478</u>	<u>\$6,850,010</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, 2021

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 218,150,054	\$ 1,057,944	\$ (717,299)	\$ 218,490,699
Land use rights - permanent	2,603,068	258,710	(32,517)	2,829,261
Construction in progress	46,067,530	50,939,306	(29,682,653)	67,324,183
Total capital assets not being depreciated	266,820,652	52,255,960	(30,432,469)	288,644,143
Capital assets being depreciated:				
Buildings and improvements	202,791,483	15,219,707	-	218,011,190
Equipment	128,848,902	16,062,287	(2,885,355)	142,025,834
Land use rights - temporary	5,714,835	7,722	(5,701)	5,716,856
Software	11,423,694	1,511,431	-	12,935,125
Land improvements	64,186,862	3,471,689	-	67,658,551
Infrastructure	615,622,650	8,028,510	-	623,651,160
Total capital assets being depreciated	1,028,588,426	44,301,346	(2,891,056)	1,069,998,716
Less accumulated depreciation for:				
Buildings and improvements	(90,114,475)	(6,926,772)	-	(97,041,247)
Equipment and other assets	(79,242,008)	(9,571,428)	1,775,406	(87,038,030)
Land use rights	(2,064,637)	-	36,246	(2,028,391)
Software	(7,984,325)	(824,064)	-	(8,808,389)
Land improvements	(37,876,322)	(2,660,777)	-	(40,537,099)
Infrastructure	(382,174,781)	(14,167,277)	-	(396,342,058)
Total accumulated depreciation and amortization	(599,456,548)	(34,150,318)	1,811,652	(631,795,214)
Total capital assets being depreciated, net	429,131,878	10,151,028	(1,079,404)	438,203,502
Governmental activities capital assets, net	\$ 695,952,530	\$ 62,406,988	\$ (31,511,873)	\$ 726,847,645

Depreciation expense was charged as follows:

Governmental activities:	
General government	\$ 6,100,566
Public safety	6,421,094
Physical environment	2,235,308
Transportation (which includes depreciation for infrastructure)	14,011,359
Economic environment	113,019
Human services	125,908
Culture and recreation	4,613,869
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	529,195
Total governmental activities depreciation expense	\$ 34,150,318

Martin County, Florida
Notes to Financial Statements
September 30, 2021

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	1,243,792	49,057	-	1,292,849
Construction in progress	13,001,227	17,061,435	(8,893,626)	21,169,036
Total capital assets not being depreciated	20,219,432	17,110,492	(8,893,626)	28,436,298
Capital assets being depreciated				
Buildings	146,439,040	607,586	-	147,046,626
Water distribution system	110,166,886	4,741,166	-	114,908,052
Wells	13,771,103	78,587	-	13,849,690
Sewer collection system	137,257,629	4,565,686	-	141,823,315
Equipment & leasehold improvement	9,217,196	164,509	(171,828)	9,209,877
Intangible assets	8,419,031	501,858	-	8,920,890
Total capital assets being depreciated	425,270,885	10,659,392	(171,828)	435,758,450
Less depreciation and amortization for				
Buildings	(67,278,200)	(3,738,816)	-	(71,017,015)
Water distribution system	(50,463,830)	(4,086,034)	-	(54,549,864)
Wells	(9,210,114)	(453,501)	-	(9,663,615)
Sewer collection system	(58,795,526)	(5,181,884)	-	(63,977,410)
Equipment & leasehold improvements	(5,466,564)	(784,056)	165,170	(6,085,450)
Intangible assets	(4,197,901)	(219,061)	-	(4,416,962)
Total accumulated depreciation and amortization	(195,412,135)	(14,463,352)	165,170	(209,710,316)
Total capital assets being depreciated, net	229,858,750	(3,803,960)	(6,658)	226,048,134
Water/Sewer capital assets, net	\$ 250,078,182	\$ 13,306,532	\$ (8,900,284)	\$ 254,484,432
Solid Waste:				
Capital assets not being depreciated				
Land	\$ 1,836,230	\$ -	\$ -	\$ 1,836,230
Construction in progress	139,960	491,763	(398,381)	233,342
Total capital assets not being depreciated	1,976,190	491,763	(398,381)	2,069,572
Capital assets being depreciated				
Buildings and improvements	11,270,752	367,411	-	11,638,163
Landfill improvements	12,324,989	30,000	-	12,354,989
Equipment & leasehold improvement	5,903,311	752,424	(468,195)	6,187,540
Intangible assets	15,850	9,247	-	25,097
Total capital assets being depreciated:	29,514,902	1,159,082	(468,195)	30,205,789
Less accumulated depreciation for				
Buildings and improvements	(4,971,266)	(344,892)	-	(5,316,158)
Landfill improvements	(10,771,721)	(180,150)	-	(10,951,871)
Equipment & leasehold improvement	(3,390,193)	(475,338)	448,582	(3,416,949)
Intangible assets	(14,001)	(1,917)	-	(15,918)
Total accumulated depreciation and amortization	(19,147,181)	(1,002,297)	448,582	(19,700,896)
Total capital assets being depreciated, net	10,367,721	156,785	(19,613)	10,504,893
Solid Waste capital assets, net	\$ 12,343,911	\$ 648,548	\$ (417,994)	\$ 12,574,465

Martin County, Florida
Notes to Financial Statements
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	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Airport:				
Capital assets not being depreciated				
Land	\$ 6,875,978	\$ -	\$ -	\$ 6,875,978
Construction in progress	1,642,768	2,680,288	(2,195,160)	2,127,896
Total capital assets, not being depreciated	8,518,746	2,680,288	(2,195,160)	9,003,874
Capital assets being depreciated				
Buildings	5,381,744	867,099	-	6,248,843
Airport improvements	33,100,935	1,328,060	-	34,428,995
Equipment	605,049	27,758	-	632,807
Intangible assets	10,077	4,999	-	15,076
Total capital assets, being depreciated	39,097,805	2,227,916	-	41,325,721
Less accumulated depreciation for				
Buildings	(1,998,257)	(254,445)	-	(2,252,702)
Airport improvements	(14,845,468)	(1,901,910)	-	(16,747,378)
Equipment	(509,946)	(39,791)	-	(549,737)
Intangible assets	(2,454)	(1,335)	-	(3,789)
Total accumulated depreciation and amortization	(17,356,125)	(2,197,481)	-	(19,553,606)
Total capital assets being depreciated, net	21,741,680	30,435	-	21,772,115
Airport capital assets, net	\$ 30,260,426	\$ 2,710,723	\$ (2,195,160)	\$ 30,775,989
Golf Course:				
Capital assets being depreciated				
Buildings	\$ 1,258,259	\$ -	\$ -	\$ 1,258,259
Golf Course improvements	1,355,456	-	-	1,355,456
Equipment	1,015,457	22,342	-	1,037,799
Total capital assets, being depreciated	3,629,172	22,342	-	3,651,514
Less accumulated depreciation for				
Buildings	(537,204)	(28,115)	-	(565,319)
Golf Course improvements	(591,177)	(90,363)	-	(681,540)
Equipment	(776,506)	(99,393)	-	(875,899)
Total accumulated depreciation	(1,904,887)	(217,871)	-	(2,122,758)
Total capital assets being depreciated, net	1,724,285	(195,529)	-	1,528,756
Golf Course capital assets, net	\$ 1,724,285	\$ (195,529)	\$ -	\$ 1,528,756
Business-type activities capital assets, net	\$ 294,406,804	\$ 16,470,274	\$ (11,513,438)	\$ 299,363,642

Martin County, Florida
Notes to Financial Statements
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Note 5 - Fund Balance Deficits

The following funds had a fund balance deficit at September 30, 2021:

Federal Grants	\$2,044,537
Other State Grants	\$4,764,214
Local Grants	\$ 8,379

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, 2021, are comprised of the following:

Compensated absences	<u>\$ 16,938,651</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.

28,487,566

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, 2021, principal and interest remaining on this note totaled \$1,206,543. For the year ended September 30, 2021, the principal and interest payments were \$520,429.

1,125,000

Martin County, Florida
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\$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, 2021, principal and interest remaining on this note totaled \$1,573,686. For the year ended September 30, 2021, the principal and interest payments were \$494,037. 1,435,000

\$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, 2021, principal and interest remaining on this note totaled \$1,060,827. For the year ended September 30, 2021, the principal and interest payments were \$265,437. 973,000

\$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, 2021, principal and interest remaining on this note totaled \$2,047,584. For the year ended September 30, 2021, the principal and interest payments were \$511,934. 1,878,000

\$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, 2021, principal and interest remaining on this note totaled \$1,715,267. For the year ended September 30, 2021, principal and interest payments were \$428,817. 1,611,442

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\$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, 2021, principal and interest remaining totaled \$12,886,973. For the year ended September 30, 2021, principal and interest payments were \$2,578,880.

12,201,000

\$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, 2021, principal and interest remaining on this note totaled \$2,763,961. For the year ended September 30, 2021, principal and interest payments were \$251,045.

2,368,000

\$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, 2021, principal and interest remaining on this note totaled \$1,878,440. For the year ended September 30, 2021, principal and interest payments were \$170,023.

1,496,000

\$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, 2021, principal and interest remaining on this note totaled \$3,130,395. For the year ended September 30, 2021, principal and interest payments were \$446,689.

2,803,000

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\$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, 2021, principal and interest remaining on this note totaled \$16,294,008. For the year ended September 30, 2021, principal and interest payments were \$1,357,249.	12,699,000
\$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, 2021, principal and interest remaining on this note totaled \$1,543,881. For the year ended September 30, 2021, principal and interest payments were \$309,524.	1,465,986
\$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, 2021, principal and interest remaining on this note totaled \$5,246,405. For the year ended September 30, 2021, principal and interest payments were \$291,982.	3,968,284
\$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, 2021, principal and interest remaining on this note totaled \$53,239,550. For the year ended September 30, 2021, principal and interest payments were \$2,956,000.	36,575,000
Total Revenue Notes and Bonds	\$ 80,598,712
Unamortized premium	4,669,479
Total long-term obligations	\$ 130,694,408

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Total pledged revenues recognized for the North River Shores MSBU Special Assessment Note were \$194,083. Principal and interest payments for the year for that note were \$291,982. Total pledged revenues recognized during the fiscal year for the County's Gas Tax Debt were \$7,879,538. Principal and interest payments for the year for the 2014 Gas Tax Refunding Revenue Note were \$2,578,880. Total pledged revenues recognized during the fiscal year for the County's Half Cent Sales Tax Revenue Bond were \$19,238,129, and principal and interest payments for the year were \$2,956,000. Total pledged revenues recognized for the remaining revenue notes were \$97,329,874 with principal and interest payments for the year totaling \$4,755,184.

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
2022	\$ 7,529,138	\$ 3,012,656	\$ 3,973,198	\$ 668,615
2023	7,745,944	2,754,100	3,916,673	574,371
2024	7,747,153	2,487,734	4,007,682	481,636
2025	7,547,467	2,229,458	4,103,401	386,593
2026	6,382,367	1,983,114	3,707,992	290,737
2027-2031	18,597,780	7,347,812	7,461,445	643,921
2032-2036	15,940,900	3,446,751	1,317,175	37,877
2037-2039	9,107,963	637,182	-	-
	<u>\$ 80,598,712</u>	<u>\$ 23,898,807</u>	<u>\$ 28,487,566</u>	<u>\$ 3,083,750</u>

Changes in governmental activities' long-term liabilities for the year-ended September 30, 2021, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 16,955,234	\$ 8,398,956	\$ (8,415,539)	\$ 16,938,651	\$ 7,270,000
Obligations under capital leases	28,350,115	5,012,851	(4,875,400)	28,487,566	3,973,197
Revenue bonds/notes	87,917,985	-	(7,319,273)	80,598,712	7,529,138
Unamortized premiums	5,149,303	-	(479,824)	4,669,479	462,573
Total liabilities	<u>\$ 138,372,637</u>	<u>\$ 13,411,807</u>	<u>\$ (21,090,036)</u>	<u>\$ 130,694,408</u>	<u>\$ 19,234,908</u>

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

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Note 7 - Long-Term Liabilities - Enterprise Funds

Long-term liabilities at September 30, 2021 in the Enterprise Funds consist of the following:

Compensated Absences	\$	804,608

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.	41,665,000

\$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>8,915,000</u>

Total Revenue Bonds	<u>50,580,000</u>

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State Revolving Fund Loans

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, and North River Shores; the project was finalized May 16, 2006. Interest rates on the outstanding loan range from 2.71% to 3.11%.

686,859

In 2021, the Department entered into a loan agreement with the State of Florida, Department of Environmental Protection (FDEP) to fund the planning and designing of septic-to-sewer conversion for the Golden Gate Estates. The estimated principal amount of the loan is \$14,460,136, which is to be disbursed to the Utilities Department upon completion of the project. The project is expected to be complete six months prior to the first semi-annual payment, which is due April 2023. The interest rate on the loan is 0.00%.

2,977,528

Total State Revolving Fund Loans

3,664,387

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 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 be repaid over 15 years with an interest rate of 4.25%.

Balance on advance from Solid Waste is:

6,584,371

Total Revenue Bonds, State Revolving Fund Loan, and Advances

60,828,758

Unamortized premium

5,784,644

Landfill Closure Costs

8,385,877

Total long-term obligations

\$ 75,803,887

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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 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:

Year Ending September 30,	Business-type Activities Water & Sewer Utilities Bonds, Loan, and Advances		
	Principal*	Interest*	Amount
2022	\$ 5,558,579	\$ 2,275,519	\$ 7,834,098
2023	5,720,437	2,113,855	7,834,292
2024	5,897,883	1,938,126	7,836,009
2025	6,120,934	1,715,721	7,836,655
2026	6,220,918	1,432,047	7,652,965
2027-2031	14,185,493	1,160,788	15,346,281
2032-2036	9,811,986	960,041	10,772,027
2037-2040	4,335,000	284,700	4,619,700
	<u>\$ 57,851,230</u>	<u>\$ 11,880,797</u>	<u>\$ 69,732,027</u>

* Excludes State Revolving Fund for septic-to-sewer for Golden Gate Estates.

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Changes in long-term liabilities for the year ended September 30, 2021, were as follows:

	Balance 9/30/2020	Additions	Reductions	Balance 9/30/2021	Due Within One Year
Water/Sewer Utilities					
Revenue Bonds					
Series 2016A	\$ 42,955,000	\$ -	\$ (1,290,000)	\$ 41,665,000	\$ 1,355,000
Series 2016B	12,230,000	-	(3,315,000)	8,915,000	3,375,000
Plus (Less):					
Unamortized premium	6,125,608	-	(340,964)	5,784,644	-
Total revenue bonds	61,310,608	-	(4,945,964)	56,364,644	4,730,000
State Revolving Fund loan WWG12063607P -ST	847,235	-	(160,376)	686,859	167,040
State Revolving Fund loan Golden Gate -ST	-	2,977,528	-	2,977,528	-
Total long-term debt	62,157,843	2,977,528	(5,106,340)	60,029,031	4,897,040
Other Liabilities:					
Compensated absences	552,077	563,335	(523,429)	591,983	341,866
Total long-term liabilities Water/Sewer Utilities	62,709,920	3,540,863	(5,629,769)	60,621,014	5,238,906
Solid Waste:					
Compensated absences	141,139	90,816	(86,104)	145,851	32,321
Landfill closure costs	8,836,716	-	(450,839)	8,385,877	589,567
Total long-term liabilities Solid Waste	8,977,855	90,816	(536,943)	8,531,728	621,888
Airport					
Compensated absences	53,500	49,474	(39,379)	63,595	36,000
Golf-Course					
Compensated absences	19,355	3,179	(19,355)	3,179	1,500
Total long-term liabilities business-type activities	<u>\$ 71,760,630</u>	<u>\$ 3,684,332</u>	<u>\$ (6,225,446)</u>	<u>\$ 69,219,516</u>	<u>\$ 5,898,294</u>

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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, 2021:

<u>Year ending September 30</u>	<u>Amount</u>
2022	\$ 271,280
2023	275,745
2024	278,040
2025	224,805
2026	151,734
2027	12,644
Total future minimum rentals	<u>\$ 1,214,248</u>

Rental expenditures on operating leases amounted to \$293,769 for the year ended September 30, 2021.

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, 2021, 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 \$450,839 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.

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Note 10 -Capital Contributions

Capital contributions in Water/Sewer Utilities fund consist of monies received, and capital assets contributed. The additions during fiscal year 2021 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 \$2,591,143 and consisted of capital grants. Capital contributions in the Golf Course fund consists of capital assets contributed in the amount of \$22,342. Also, Vehicle Maintenance received a capital contribution of \$8,830.

Note 11 -Interfund Transfers

Interfund transfers for the year ended September 30, 2021, were as follows:

Transfers In	Transfers Out						Total
	General Fund	Consolidated Fire/EMS	Federal Grants	County Buildings	Nonmajor Governmental Funds	Water/ Sewer Utilities	
General Fund	\$ -	\$ 600,000	\$ 23,073,011	\$ -	\$ 2,036,368	\$ -	\$ 25,709,379
Federal Grants	56,577	-	-	-	168,063	-	224,640
State Grants	299,734	-	-	-	3,646,947	-	3,946,681
County Buildings	2,056,088	-	-	-	-	-	2,056,088
Nonmajor Governmental Funds	2,741,950	2,779,776	-	200,000	3,975,496	168,477	9,865,699
Nonmajor Business-type Funds	1,060,000	-	-	-	-	-	1,060,000
Total Interfund Transfers	<u>\$6,214,349</u>	<u>\$ 3,379,776</u>	<u>\$ 23,073,011</u>	<u>\$ 200,000</u>	<u>\$ 9,826,874</u>	<u>\$ 168,477</u>	<u>\$ 42,862,487</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 2021, 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

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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:

Preliminary Tax Roll Certification	July 1
Notice of Proposed Taxes Mailed	August 10-25
Millage resolution approved	October 8
Final Tax Roll Certification	October 10-20
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 9.62% 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

Martin County, Florida
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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 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 FY2021 is \$3,201,040. 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 2021 Tangible Personal Property Grant

			Total Taxes Due with 4% Early Pay Discount	Grant Amount
Parcel 1000-6002-7823	2021 Taxable Value	2022 Millage		
County Millage	\$ 615,457,041	0.00679340	\$ 4,013,804	
Grant Amount	615,457,041	0.00407604	-	\$ 2,408,282
Fire/Rescue Unincorporated MSTU Millage	615,457,041	0.00268350	1,585,516	
Grant Amount	615,457,041	0.00134175	-	792,758
Total FY21 FPL TPP Grant			<u>\$ 5,599,320</u>	<u>\$ 3,201,040</u>

Note 14 -Defined Benefit Pension Plan

Pension Expense/Expenditures

The County's aggregate pension expense/expenditures was a reduction of \$18,195,576 for the fiscal year ended September 30, 2021. The County's aggregate net pension liability was \$78,618,720, with balances of deferred outflows of resources related to pensions of \$49,805,955 and deferred inflows of resources related to pensions of \$141,324,093 as of September 30, 2021.

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	Net Pension Liability		
	FRS	HIS	Total
Board, including Enterprise Funds	\$ 18,594,641	\$ 22,895,656	\$ 41,490,297
Clerk	755,677	1,382,317	2,137,994
Property Appraiser	404,530	741,572	1,146,102
Sheriff	16,336,317	15,503,067	31,839,384
Supervisor of Elections	54,081	66,591	120,672
Tax Collector	780,661	1,103,610	1,884,271
Total	<u>\$ 36,925,907</u>	<u>\$ 41,692,813</u>	<u>\$ 78,618,720</u>

	Changes in Net Pension Liability		
	Beginning	Net Changes	Ending
FRS	\$ 225,893,095	\$ (188,967,188)	\$ 36,925,907
HIS	40,627,249	1,065,564	41,692,813
Total	<u>\$ 266,520,344</u>	<u>\$ (187,901,624)</u>	<u>\$ 78,618,720</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.

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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:

	<u>10/01/20- 6/30/21</u>	<u>7/01/21- 9/30/21</u>
Regular	10.00 %	10.82 %
Senior Management	27.29 %	29.01 %
Special Risk	24.45 %	25.89 %
County Elected Officials	49.18 %	51.42 %
DROP	16.98 %	18.34 %

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 \$19,193,710 for the fiscal year ended September 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2021, the County reported a liability of \$36,925,907 for its proportionate share of the FRS Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The County's proportionate share was based on the County's 2020-21 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2021, the County's proportionate share was 0.4888347 percent, a decrease of 0.0323591 over its proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2021, the County recognized a reduction in pension expense of \$19,605,913 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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,329,160	\$ -
Change of assumptions	25,266,537	-
Net difference between projected and actual earnings on Pension Plan investments	-	(128,825,213)
Changes in proportion and differences between County Pension Plan contributions and proportionate share of contributions	5,696,806	(10,380,517)
County Pension Plan contributions subsequent to the measurement date	<u>4,836,933</u>	<u>-</u>
Total	<u>\$ 42,129,436</u>	<u>\$ (139,205,730)</u>

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The deferred outflows of resources related to the FRS Pension Plan, totaling \$4,836,933 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, 2022. 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:

<u>September 30:</u>	<u>Amount</u>
2022	\$(19,684,312)
2023	(13,427,543)
2024	(18,304,247)
2025	(20,902,604)
2026	(27,369,161)
Thereafter	(2,225,357)

Actuarial Assumptions

The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 %
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, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The following key actuarial assumptions occurred in 2021: the long-term expected rate of return and the discount rate used to determine the total pension liability remain unchanged at 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:

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Asset Class	Target Allocation ¹	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0 %	2.1 %	2.1 %	1.1 %
Fixed Income	20.0 %	3.8 %	3.7 %	3.3 %
Global equity	54.2 %	8.2 %	6.7 %	17.8 %
Real estate (property)	10.3 %	7.1 %	6.2 %	13.8 %
Private equity	10.8 %	11.7 %	8.5 %	26.4 %
Strategic investments	3.7 %	5.7 %	5.4 %	8.4 %
Total	100.0 %			
Assumed Inflation - Mean			2.4 %	1.2 %

¹ As outlined in the Pension Plan's investment policy

Discount Rate - The discount rate used to measure the total pension liability was 6.80%. 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	\$ 165,135,134	\$ 36,925,907	\$ (70,172,588)

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 Annual Comprehensive 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, 2021, 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

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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, 2021, the HIS Plan contribution for the period October 1, 2020, through September 30, 2021, 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 \$2,016,357 for the fiscal year ended September 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2021, the County reported a liability of \$41,692,813 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The County's proportionate share of the net pension liability was based on the County's 2020-21 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2021, the County's proportionate share was 0.339891590 percent, an increase of 0.007149653 over its proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2021, the County recognized pension expense of \$1,410,337 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	\$ 1,395,147	\$ (17,463)
Change of assumptions	3,276,122	(1,717,850)
Net difference between projected and actual earnings on pension plan investments	43,464	-
Changes in proportion and differences between county pension plan contributions and proportionate share of contributions	2,483,759	(383,050)
County pension plan contributions subsequent to the measurement date	<u>478,027</u>	<u>-</u>
Total	<u>\$ 7,676,519</u>	<u>\$ (2,118,363)</u>

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The deferred outflows of resources related to the FRS Pension Plan, totaling \$478,027 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, 2022. 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
2022	\$ 1,209,574
2023	957,823
2024	565,551
2025	728,918
2026	880,967
Thereafter	737,296

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	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, 2021, 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 2021: 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 2.21% to 2.16%, and the active member mortality assumption was updated.

Discount Rate - The discount rate used to measure the total pension liability was 2.16%. 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 2.16%, 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 (1.16%) or one percentage point higher (3.16%) than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
County's proportionate share of the net pension liability	\$ 48,200,931	\$ 41,692,813	\$ 36,360,867

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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 Annual Comprehensive 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 Annual Comprehensive 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 and by forfeited benefits of plan members.

Allocations to the investment member's accounts from the employer's contribution during the 2020-21 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, 2021, 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.

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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

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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 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, 2021, 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:

	<u>Agencies</u>	<u>Fire Rescue IAFF</u>	<u>Sheriff</u>
Monthly Minimum	\$ 90	\$ 90	\$ 147
Monthly Maximum	\$ 1,748	\$ 1,311	\$ 1,788

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 \$15,151 had accrued as of September 30, 2021. The Sheriff's Department has no internal assignment for OPEB.

For the fiscal year ended September 30, 2021, the County provided explicit subsidy contributions of \$2,752,051 to cover retired employees and \$3,068,003 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 2021, the Enterprise Funds portion of the OPEB liability is being recorded in the Proprietary Fund Statements.

As of September 30, 2020, membership consisted of the following:

	<u>Agencies</u>	<u>Sheriff</u>
Active employees	1,126	519
Retired participants	331	301
Total	<u>1,457</u>	<u>820</u>

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, 2020
Employer's reporting date	September 30, 2021
Actuarial cost method	Entry Age Normal

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Discount Rate: The discount rate of 2.41% 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 2.75% as of September 30, 2019, to 2.41% as of September 30, 2020. There were no benefit changes during the year.

At September 30, 2021, the County reported a total OPEB liability of \$183,165,713. 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, 2020, the measurement date.

	Total OPEB Liability
Board, including Enterprise Funds	\$ 72,523,329
Clerk	7,767,666
Property Appraiser	2,573,893
Sheriff	95,719,082
Supervisor of Elections	320,076
Tax Collector	4,261,667
Total	<u><u>\$183,165,713</u></u>

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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:

Total OPEB liability - beginning	\$ 175,323,842
Service Cost	5,063,860
Interest on the total OPEB liability	4,887,138
Changes of benefit terms	3,238,073
Difference between expected and actual experience of the total OPEB liability	<u>(5,347,200)</u>
Net change in total OPEB liability	<u>\$ 183,165,713</u>

Sensitivity of the Total OPEB Liability

The following table represents the County's total OPEB liability calculated using the discount rate of 2.41%, 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 (1.41%) or one percentage point higher (3.41%) than the current rate:

	1% Decrease (1.41%)	Current Discount Rate (2.41%)	1% Increase (3.41%)
Total OPEB Liability	\$212,086,265	\$185,165,713	\$159,331,768

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	\$153,868,592	\$183,165,713	\$220,982,313

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

For the fiscal year ended September 30, 2021, the County recognized OPEB expense as follows:

Service cost	\$ 5,063,860
Interest on the total OPEB liability	4,887,138
Recognition of outflow/inflow of resources due to liabilities	<u>(672,890)</u>
Total	<u>\$ 9,278,108</u>

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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	\$ 4,945,336	\$ 189,064	\$ 1,973,403	\$ 7,107,803
Changes in assumptions and other inputs	6,943,585	265,459	941,732	8,150,776
Benefits paid after the measurement date	2,650,712	101,339	3,068,003	5,820,054
Total	<u>\$ 14,539,633</u>	<u>\$ 555,862</u>	<u>\$ 5,983,138</u>	<u>\$ 21,078,633</u>

Deferred Inflows of Resources				
	Agencies Without Enterprise	Enterprise Funds	Sheriff	Total
Difference between expected and actual experience	\$ -	\$ -	\$ -	\$ -
Changes in assumptions and other inputs	4,186,900	160,069	10,142,873	14,489,842
Total	<u>\$ 4,186,900</u>	<u>\$ 160,069</u>	<u>\$ 10,142,873</u>	<u>\$ 14,489,842</u>

The deferred outflows of resources related to OPEB resulting from County contributions paid subsequent to the measurement date total \$5,820,054 and will be recognized as a reduction of the total OPEB liability in the fiscal year ending September 30, 2022.

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:

<u>September 30:</u>	<u>Amount</u>
2022	\$ (672,890)
2023	(672,890)
2024	(672,890)
2025	(672,890)
2026	35,298
Thereafter	3,424,999
Total	<u>\$ 768,737</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, 2020, the average of the expected remaining service lives is 9.1 years for Agency employees and 9.4 years for employees of the Sheriff's Office.

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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, 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	3,202,350
Expenses incurred	42,443,140
Claims paid	<u>(43,366,746)</u>
Accounts payable & accrued insurance claims at September 30, 2021	<u><u>\$ 2,278,744</u></u>

Martin County, Florida
Notes to Financial Statements
September 30, 2021

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 -New Accounting Pronouncements

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

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 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. This standard is not expected to impact the County's financial statements.

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. This standard is not expected to impact the County's financial statements.

Martin County, Florida
Notes to Financial Statements
September 30, 2021

GASB 93, *Replacement of Interbank Offered Rates (IBORs)*, has two effective dates. All requirements other than the removal of the London Interbank Offered Rate (LIBOR) are effective now; the removal of LIBOR as an appropriate benchmark is effective beginning with reporting periods ending after December 31, 2021. The objectives of this Statement are to address the accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. This standard is not expected to impact the County's financial statements.

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 statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). This standard is not expected to impact the County's financial statements.

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) for governments.. 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.

GASB 98, *The Annual Comprehensive Financial Report*, is effective for reporting periods ending after December 15, 2021. The objective of this Statement is to establish the term annual comprehensive financial report and its acronym ACFR. The new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The County is early implementing this statement with this ACFR.

REQUIRED SUPPLEMENTARY
INFORMATION
(Unaudited)

Martin County, Florida
Required Supplementary Information (Unaudited)
September 30, 2021

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

Last 10 Fiscal Years¹

Measurement Year Ended September 30,	2020	2019	2018	2017
Total OPEB liability:				
Service cost	\$ 5,063,860	\$ 4,554,660	\$ 4,788,408	\$ 5,144,071
Interest on the total OPEB liability	4,887,138	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 ³	3,238,073	1,215,401	(7,887,942)	(10,017,812)
Benefit payments	(5,347,200)	(4,859,717)	(4,465,311)	(5,935,446)
Net change in total OPEB liability	7,841,871	16,284,078	(1,844,447)	(5,581,290)
Total OPEB liability - beginning	175,323,842	159,039,764	160,884,211	166,465,501
Total OPEB liability - ending	<u>\$183,165,713</u>	<u>\$175,323,842</u>	<u>\$159,039,764</u>	<u>\$160,884,211</u>
Covered-employee payroll for the measurement period	\$116,500,509	\$111,865,282	\$104,033,520	\$ 98,632,591
Total OPEB liability as a percentage of covered-employee payroll	157.22 %	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, 2020, 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 2.75 at the beginning of the measurement period to 2.41 as of September 30, 2020.

Martin County, Florida
Required Supplementary Information (Unaudited)
September 30, 2021

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

Last 10 Fiscal Years*

	2021	2020	2019
Martin County's proportionate share of the net pension liability	36,925,907	225,893,095	175,332,394
Martin County's covered payroll	\$ 115,751,825	\$ 115,751,825	\$ 109,619,462
Martin County's proportionate share of the net pension liability as a percentage of its covered payroll	31.90 %	195.15 %	159.95 %
Plan fiduciary net position as a percentage of the total pension liability	96.40 %	78.85 %	82.61 %

* The amounts presented for each fiscal year were determined as of June 30, 2021. 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*

	2021	2020	2019
Contractually required contribution	\$ 19,193,709	\$ 17,522,378	\$ 16,281,660
Contributions in relation to the contractually required contribution	(19,193,709)	(17,522,378)	(16,281,660)
Martin County covered payroll	\$ 116,500,509	\$ 116,500,509	\$ 111,865,282
Contributions as a percentage of covered payroll	16.48 %	15.04 %	14.55 %

* The amounts presented for each fiscal year were determined as of September 30, 2021. 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.

2018	2017	2016	2015	2014
147,474,716	147,652,883	126,549,211	61,180,345	29,327,049
\$ 102,805,084	\$ 99,529,340	\$ 95,364,963	\$ 93,967,225	\$ 91,783,680
143.45 %	148.35 %	132.70 %	65.11 %	31.95 %
84.26 %	83.89 %	84.88 %	92.00 %	96.09 %

2018	2017	2016	2015	2014
\$ 14,320,988	\$ 12,980,128	\$ 12,533,055	\$ 11,723,425	\$ 14,737,469
(14,320,988)	(12,980,128)	(12,533,055)	(11,723,425)	(14,737,469)
\$ 104,033,520	\$ 98,632,591	\$ 95,308,577	\$ 94,440,184	\$ 92,335,490
13.77 %	13.16 %	13.15 %	12.43 %	15.96 %

Martin County, Florida
Required Supplementary Information (Unaudited)
September 30, 2021

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

Last 10 Fiscal Years*

	2021	2020	2019
Martin County's proportionate share of the net pension liability	\$ 41,692,813	\$ 40,627,249	\$ 36,571,370
Martin County's covered payroll	\$ 115,751,825	\$ 115,751,825	\$ 109,619,462
Martin County's proportionate share of the net pension liability as a percentage of its covered payroll	36.02 %	35.10 %	33.36 %
Plan fiduciary net position as a percentage of the total pension liability	3.56 %	3.00 %	2.63 %

* The amounts presented for each fiscal year were determined as of June 30, 2021. 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*

	2021	2020	2019
Contractually required contribution	\$ 2,016,356	\$ 1,930,076	\$ 1,851,963
Contributions in relation to the contractually required contribution	(2,016,356)	(1,930,076)	(1,851,963)
Martin County's covered payroll	\$ 116,500,509	\$ 116,500,509	\$ 111,865,282
Contributions as a percentage of covered payroll	1.73 %	1.66 %	1.66 %

* The amounts presented for each fiscal year were determined as of September 30, 2021. 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.

2018	2017	2016	2015	2014
\$ 33,248,972	\$ 33,319,888	\$ 35,906,770	\$ 31,515,967	\$ 28,817,667
\$ 102,805,084	\$ 99,529,340	\$ 95,364,963	\$ 93,967,225	\$ 91,783,680
32.34 %	33.48 %	37.65 %	33.54 %	31.40 %
2.15 %	1.64 %	0.50 %	0.50 %	0.99 %

2018	2017	2016	2015	2014
\$ 1,723,669	\$ 1,633,796	\$ 1,582,714	\$1,284,136.00	\$1,112,633.00
(1,723,669)	(1,633,796)	(1,582,714)	1,284,136.00)	1,112,633.00)
\$ 104,033,520	\$ 98,632,591	\$ 95,298,577	\$ 94,440,184	\$2,335,490.00
1.66 %	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, 2021

	Special Revenue				
	District One MSTU	District Two MSTU	District Three MSTU	District Four MSTU	District Five MSTU
ASSETS					
Cash and cash equivalents	\$ 32,021	\$ 238,581	\$ 249,338	\$ 12,306	\$ 297,972
Investments	740,233	191,269	254,823	247,381	203,908
Accounts receivable	-	-	-	-	-
Assessments receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governmental agencies	-	-	-	-	-
Inventories	-	-	-	-	-
Assets held for resale or donation	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	\$ 772,254	\$ 429,850	\$ 504,161	\$ 259,687	\$ 501,880
LIABILITIES					
Accounts payable	\$ 435	\$ -	\$ 72,206	\$ 2,944	\$ 15,500
Accrued wages payable	-	-	-	-	-
Contracts payable - retainage	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governmental agencies	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	435	-	72,206	2,944	15,500
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	771,819	429,850	431,955	256,743	486,380
Ordinance/Judicial	-	-	-	-	-
Ordinance/Culture and recreation	-	-	-	-	-
Ordinance/CRA	-	-	-	-	-
Ordinance/Economic Development	-	-	-	-	-
Assigned to:					
Capital projects	-	-	-	-	-
Other assigned purposes	-	-	-	-	-
Total fund balances	771,819	429,850	431,955	256,743	486,380
Total liabilities, deferred inflows and fund balances	\$ 772,254	\$ 429,850	\$ 504,161	\$ 259,687	\$ 501,880

Special Revenue

Unincorporated MSTUs	Other MSTUs	CRA Fund	SHIP - State Housing Grants	Local Grants
\$ 1,013,339	\$ 475,945	\$ 150,897	\$ 1,021	\$ 82,553
13,720,001	13,734,632	9,888,803	1,175,778	41,725
-	14	-	-	-
-	314,168	-	-	-
-	-	-	-	-
79,386	163,364	-	-	407,478
-	-	-	-	-
-	-	26,070	-	-
150	1,548	-	-	-
<u>\$ 14,812,876</u>	<u>\$ 14,689,671</u>	<u>\$ 10,065,770</u>	<u>\$ 1,176,799</u>	<u>\$ 531,756</u>
\$ 155,085	\$ 1,020,110	\$ 738,916	\$ 55,473	\$ 11,759
360,871	179,158	20,610	-	11,406
-	221,662	259,888	-	-
-	4,284	-	-	250,150
-	264,336	-	-	-
-	-	-	-	17,820
<u>515,956</u>	<u>1,689,550</u>	<u>1,019,414</u>	<u>55,473</u>	<u>291,135</u>
<u>-</u>	<u>430,689</u>	<u>-</u>	<u>-</u>	<u>249,000</u>
-	-	-	-	-
-	-	-	-	-
150	1,548	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	1,500,168	300,000	1,121,326	(8,379)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
12,178,662	11,067,716	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	8,720,286	-	-
-	-	-	-	-
-	-	-	-	-
2,118,108	-	26,070	-	-
<u>14,296,920</u>	<u>12,569,432</u>	<u>9,046,356</u>	<u>1,121,326</u>	<u>(8,379)</u>
<u>\$ 14,812,876</u>	<u>\$ 14,689,671</u>	<u>\$ 10,065,770</u>	<u>\$ 1,176,799</u>	<u>\$ 531,756</u>

(continued)

Martin County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2021
(continued)

	Special Revenue					
	Other Impact Fees	Transportation Impact Fees	Public Safety	Judicial	Economic Development	Culture and Recreation
ASSETS						
Cash and cash equivalents	\$ 2,435,770	\$ 1,532,986	\$ 501,917	\$ 684,054	\$ 647,393	\$ 6,042
Investments	6,389,734	2,635,917	3,901,321	633,958	4,971,157	43,550
Accounts receivable	-	-	122,338	-	-	-
Assessments receivable	-	-	-	-	-	-
Due from other funds	-	-	58,497	-	-	-
Due from other governmental agencies	412,356	370,565	204,137	-	-	-
Inventories	-	-	-	-	-	-
Assets held for resale or donation	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	\$ 9,237,860	\$ 4,539,468	\$ 4,788,210	\$ 1,318,012	\$ 5,618,550	\$ 49,592
LIABILITIES						
Accounts payable	\$ 23,866	\$ -	\$ 686,201	\$ 459,025	\$ 261,044	\$ 5,469
Accrued wages payable	43	-	5,463	9,285	18,764	-
Contracts payable - retainage	-	3,845	-	-	55,012	-
Due to other funds	-	-	175,249	-	-	-
Due to other governmental agencies	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	23,909	3,845	866,913	468,310	334,820	5,469
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	132,800	-	-	-
FUND BALANCES						
Nonspendable:						
Inventories	-	-	-	-	-	-
Permanent fund principal	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Restricted for:						
Bond covenants or debt service	-	-	-	-	-	-
Culture and recreation projects	4,637,612	-	-	-	-	-
Public safety	3,028,086	-	3,788,497	-	-	-
Housing grants and other	250,000	-	-	-	-	-
Court operations	-	-	-	345,467	-	-
Capital projects	800,665	4,535,623	-	-	-	-
Other restricted purposes	497,588	-	-	-	4,268,561	-
Committed to:						
Ordinance/MSTU/Other	-	-	-	-	-	-
Ordinance/Judicial	-	-	-	504,235	-	-
Ordinance/Culture and recreation	-	-	-	-	-	40,794
Ordinance/CRA	-	-	-	-	-	-
Ordinance/Economic Development	-	-	-	-	1,015,169	-
Assigned to:						
Capital projects	-	-	-	-	-	-
Other assigned purposes	-	-	-	-	-	3,329
Total fund balances	9,213,951	4,535,623	3,788,497	849,702	5,283,730	44,123
Total liabilities, deferred inflows and fund balances	\$ 9,237,860	\$ 4,539,468	\$ 4,788,210	\$ 1,318,012	\$ 5,618,550	\$ 49,592

Special Revenue				Debt Service		
Franchise Fees	Clerk Special Revenue	Sheriff Special Revenue	Total	Revenue Bonds	Bank Notes and Loans	Total
\$ 470,822	\$ 929,056	\$ 977,894	\$ 10,739,907	\$ 751,658	\$ 234,585	\$ 986,243
19,316,190	365,431	-	78,455,811	-	1,024,562	1,024,562
-	-	89,874	212,226	-	-	-
-	-	-	314,168	-	2,174,160	2,174,160
-	-	7,241	65,738	-	-	-
-	-	63,934	1,701,220	-	-	-
-	-	-	-	-	-	-
-	-	-	26,070	-	-	-
-	263,421	-	265,119	-	-	-
<u>\$19,787,012</u>	<u>\$ 1,557,908</u>	<u>\$ 1,138,943</u>	<u>\$ 91,780,259</u>	<u>\$ 751,658</u>	<u>\$ 3,433,307</u>	<u>\$ 4,184,965</u>
\$ 1,600,329	\$ 5,486	\$ 6,732	\$ 5,120,580	\$ -	\$ 1	\$ 1
7,015	4,264	-	616,879	-	-	-
422,726	-	-	963,133	1,260	12,600	13,860
-	-	147,721	577,404	-	-	-
-	-	-	264,336	-	-	-
-	-	-	17,820	-	-	-
<u>2,030,070</u>	<u>9,750</u>	<u>154,453</u>	<u>7,560,152</u>	<u>1,260</u>	<u>12,601</u>	<u>13,861</u>
-	-	-	812,489	-	2,174,160	2,174,160
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	263,421	-	265,119	-	-	-
-	-	-	-	750,398	1,246,546	1,996,944
-	-	-	4,637,612	-	-	-
-	-	984,490	7,801,073	-	-	-
494,889	-	-	3,658,004	-	-	-
-	1,284,737	-	1,630,204	-	-	-
-	-	-	5,336,288	-	-	-
-	-	-	4,766,149	-	-	-
17,262,053	-	-	42,885,178	-	-	-
-	-	-	504,235	-	-	-
-	-	-	40,794	-	-	-
-	-	-	8,720,286	-	-	-
-	-	-	1,015,169	-	-	-
-	-	-	-	-	-	-
-	-	-	2,147,507	-	-	-
<u>17,756,942</u>	<u>1,548,158</u>	<u>984,490</u>	<u>83,407,618</u>	<u>750,398</u>	<u>1,246,546</u>	<u>1,996,944</u>
<u>\$19,787,012</u>	<u>\$ 1,557,908</u>	<u>\$ 1,138,943</u>	<u>\$ 91,780,259</u>	<u>\$ 751,658</u>	<u>\$ 3,433,307</u>	<u>\$ 4,184,965</u>

(continued)

Martin County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2021
(continued)

	Capital Projects			Permanent Fund	
	Recreation Projects	Transportation Road Projects	Total	Port Salerno Memorial Trust	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 198,544	\$ 374,394	\$ 572,938	\$ 3,808	\$ 12,302,896
Investments	14,761,534	12,917,745	27,679,279	34,085	107,193,737
Accounts receivable	16,133	500	16,633	-	228,859
Assessments receivable	-	216,572	216,572	-	2,704,900
Due from other funds	-	-	-	-	65,738
Due from other governmental agencies	11,831,909	1,995,265	13,827,174	-	15,528,394
Inventories	-	708,687	708,687	-	708,687
Assets held for resale or donation	-	-	-	-	26,070
Prepaid items	-	484	484	-	265,603
Total assets	\$ 26,808,120	\$ 16,213,647	\$ 43,021,767	\$ 37,893	\$ 139,024,884
LIABILITIES					
Accounts payable	\$ 571,274	\$ 537,516	\$ 1,108,790	\$ 211	\$ 6,229,582
Accrued wages payable	13,075	272,382	285,457	-	902,336
Contracts payable - retainage	96,446	2,928	99,374	-	1,076,367
Due to other funds	-	-	-	-	577,404
Due to other governmental agencies	150	137,988	138,138	-	402,474
Unearned revenue	-	-	-	-	17,820
Total liabilities	680,945	950,814	1,631,759	211	9,205,983
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	4,785,796	745,169	5,530,965	-	8,517,614
FUND BALANCES					
Nonspendable:					
Inventories	-	708,687	708,687	-	708,687
Permanent fund principal	-	-	-	22,674	22,674
Prepaid items	-	484	484	-	265,603
Restricted for:					
Bond covenants or debt service	-	-	-	-	1,996,944
Culture and recreation projects	-	-	-	-	4,637,612
Public safety	-	-	-	-	7,801,073
Housing grants and other	4,767,580	-	4,767,580	-	8,425,584
Court operations	-	-	-	-	1,630,204
Capital projects	1,122,804	13,752,845	14,875,649	-	20,211,937
Other restricted purposes	-	-	-	15,008	4,781,157
Committed to:					
Ordinance/MSTU/Other	-	-	-	-	42,885,178
Ordinance/Judicial	-	-	-	-	504,235
Ordinance/Culture and recreation	-	-	-	-	40,794
Ordinance/CRA	-	-	-	-	8,720,286
Ordinance/Economic Development	-	-	-	-	1,015,169
Assigned to:					
Capital projects	15,450,995	55,648	15,506,643	-	15,506,643
Other assigned purposes	-	-	-	-	2,147,507
Total fund balances	21,341,379	14,517,664	35,859,043	37,682	121,301,287
Total liabilities, deferred inflows and fund balances	\$ 26,808,120	\$ 16,213,647	\$ 43,021,767	\$ 37,893	\$ 139,024,884

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, 2021

	Special Revenue				
	District One MSTU	District Two MSTU	District Three MSTU	District Four MSTU	District Five MSTU
REVENUES					
Taxes	\$ 302,564	\$ 215,261	\$ 210,034	\$ 202,351	\$ 253,012
Permits, fees and special assessments	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest income	2,403	974	1,289	815	600
Contributions - private sources & donations	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-
Total revenues	304,967	216,235	211,323	203,166	253,612
EXPENDITURES					
Current:					
General government	82,483	14,709	61,202	9,299	33,399
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	14,717	-
Culture and recreation	262	6,364	-	-	-
Capital outlay	203,953	-	112,395	456,879	14,126
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Other debt service costs	-	-	-	-	-
Total expenditures	286,698	21,073	173,597	480,895	47,525
Excess (deficiency) of revenues over (under) expenditures	18,269	195,162	37,726	(277,729)	206,087
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	313,951	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	313,951	-
Net change in fund balances	18,269	195,162	37,726	36,222	206,087
Fund balances - beginning	753,550	234,688	394,229	220,521	280,293
Fund balances - ending	\$ 771,819	\$ 429,850	\$ 431,955	\$ 256,743	\$ 486,380

Special Revenue

Unincorporated MSTUs	Other MSTUs	CRA Fund	SHIP - State Housing Grants	Local Grants
\$ 975,732	\$ 13,093,858	\$ -	\$ -	\$ -
6,074,012	71,977	-	-	-
2,537,441	63,832	4,464,845	-	700,136
1,102,450	321,305	-	-	-
500,769	-	-	-	-
38,992	54,011	37,995	3,870	797
-	47,091	28,385	-	-
103,352	92,473	-	247,766	229
<u>11,332,748</u>	<u>13,744,547</u>	<u>4,531,225</u>	<u>251,636</u>	<u>701,162</u>
3,373,687	426,048	-	-	-
5,864,730	-	-	-	298,464
-	4,117,028	-	-	-
-	2,054,050	-	-	-
-	-	924,024	410,685	-
-	-	-	406	32,224
-	3,036,179	-	-	367,533
249,006	1,943,225	6,239,316	-	505,059
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>9,487,423</u>	<u>11,576,530</u>	<u>7,163,340</u>	<u>411,091</u>	<u>1,203,280</u>
<u>1,845,325</u>	<u>2,168,017</u>	<u>(2,632,115)</u>	<u>(159,455)</u>	<u>(502,118)</u>
-	-	-	-	249,000
<u>(600,000)</u>	<u>(896,540)</u>	<u>(448,344)</u>	<u>-</u>	<u>-</u>
<u>(600,000)</u>	<u>(896,540)</u>	<u>(448,344)</u>	<u>-</u>	<u>249,000</u>
1,245,325	1,271,477	(3,080,459)	(159,455)	(253,118)
<u>13,051,595</u>	<u>11,297,955</u>	<u>12,126,815</u>	<u>1,280,781</u>	<u>244,739</u>
<u>\$ 14,296,920</u>	<u>\$ 12,569,432</u>	<u>\$ 9,046,356</u>	<u>\$ 1,121,326</u>	<u>\$ (8,379)</u>

(continued)

Martin County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2021
(continued)

	Special Revenue					
	Other Impact Fees	Transportation Impact Fees	Public Safety	Judicial	Economic Development	Culture and Recreation
REVENUES						
Taxes	\$ -	\$ -	\$ 8,195,924	\$ -	\$ 3,624,833	\$ -
Permits, fees and special assessments	3,901,234	2,459,560	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-
Charges for services	-	-	743,166	1,096,994	-	-
Fines and forfeitures	-	-	1,633	90	-	-
Interest income	20,301	11,683	16,896	3,516	13,133	521
Contributions - private sources & donations	-	140,427	-	-	-	-
Miscellaneous revenues	-	-	348,619	4,615	359	-
Total revenues	3,921,535	2,611,670	9,306,238	1,105,215	3,638,325	521
EXPENDITURES						
Current:						
General government	27,631	-	257,340	1,777,068	127,636	59,111
Public safety	2,441	-	3,874,897	-	-	-
Physical environment	48,318	-	-	-	-	-
Transportation	-	1,205	-	-	-	-
Economic environment	-	-	-	-	1,729,128	8,447
Human services	-	-	3,865,643	-	-	-
Culture and recreation	170,433	-	-	-	212,866	9,704
Capital outlay	392,078	546,054	-	-	833,482	25,000
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other debt service costs	-	-	-	-	-	-
Total expenditures	640,901	547,259	7,997,880	1,777,068	2,903,112	102,262
Excess (deficiency) of revenues over (under) expenditures	3,280,634	2,064,411	1,308,358	(671,853)	735,213	(101,741)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	362,967	1,096,095	201,000	50,000
Transfers out	(447,032)	(1,945,000)	(886,841)	(306,235)	-	(313,951)
Total other financing sources (uses)	(447,032)	(1,945,000)	(523,874)	789,860	201,000	(263,951)
Net change in fund balances	2,833,602	119,411	784,484	118,007	936,213	(365,692)
Fund balances - beginning	6,380,349	4,416,212	3,004,013	731,695	4,347,517	409,815
Fund balances - ending	\$ 9,213,951	\$ 4,535,623	\$ 3,788,497	\$ 849,702	\$ 5,283,730	\$ 44,123

Special Revenue				Debt Service		
Franchise Fees	Clerk Special Revenue	Sheriff Special Revenue	Total	Revenue Bonds	Bank Notes and Loans	Total
\$ -	\$ -	\$ -	\$ 27,073,569	\$ -	\$ -	\$ -
9,082,048	-	-	21,588,831	-	102,386	102,386
-	-	402,686	8,168,940	-	2,400,378	2,400,378
-	637,029	619,185	4,520,129	-	-	-
-	-	58,471	560,963	-	-	-
55,194	-	86	263,076	1,922	98,525	100,447
-	-	-	215,903	-	-	-
-	-	142,224	939,637	-	-	-
<u>9,137,242</u>	<u>637,029</u>	<u>1,222,652</u>	<u>63,331,048</u>	<u>1,922</u>	<u>2,601,289</u>	<u>2,603,211</u>
-	167,430	625,739	7,042,782	-	1,469	1,469
-	-	617,484	10,658,016	-	-	-
330,370	-	-	4,495,716	-	-	-
203,808	-	-	2,259,063	-	-	-
32,344	-	-	3,104,628	-	-	-
-	-	-	3,912,990	-	-	-
-	-	-	3,803,341	-	-	-
9,481,553	-	75,023	21,077,149	-	-	-
-	-	-	-	1,250,000	6,069,273	7,319,273
-	-	-	-	1,706,000	1,556,775	3,262,775
-	-	-	-	1,810	13,860	15,670
<u>10,048,075</u>	<u>167,430</u>	<u>1,318,246</u>	<u>56,353,685</u>	<u>2,957,810</u>	<u>7,641,377</u>	<u>10,599,187</u>
<u>(910,833)</u>	<u>469,599</u>	<u>(95,594)</u>	<u>6,977,363</u>	<u>(2,955,888)</u>	<u>(5,040,088)</u>	<u>(7,995,976)</u>
-	-	314,649	2,587,662	2,956,625	4,321,412	7,278,037
(49,038)	-	(58,497)	(5,951,478)	-	-	-
<u>(49,038)</u>	<u>-</u>	<u>256,152</u>	<u>(3,363,816)</u>	<u>2,956,625</u>	<u>4,321,412</u>	<u>7,278,037</u>
(959,871)	469,599	160,558	3,613,547	737	(718,676)	(717,939)
<u>18,716,813</u>	<u>1,078,559</u>	<u>823,932</u>	<u>79,794,071</u>	<u>749,661</u>	<u>1,965,222</u>	<u>2,714,883</u>
<u>\$ 17,756,942</u>	<u>\$ 1,548,158</u>	<u>\$ 984,490</u>	<u>\$ 83,407,618</u>	<u>\$ 750,398</u>	<u>\$ 1,246,546</u>	<u>\$ 1,996,944</u>

(continued)

Martin County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2021
(continued)

	Capital Projects			Permanent Fund	
	Recreation Projects	Transportation Road Projects	Total	Port Salerno Memorial Trust	Total Nonmajor Governmental Funds
REVENUES					
Taxes	\$ 5,657,312	\$ 7,879,538	\$ 13,536,850	\$ -	\$ 40,610,419
Permits, fees and special assessments	71,179	764,593	835,772	-	22,526,989
Intergovernmental revenues	7,046,113	2,893,663	9,939,776	-	20,509,094
Charges for services	-	730,124	730,124	-	5,250,253
Fines and forfeitures	-	-	-	-	560,963
Interest income	41,622	50,568	92,190	116	455,829
Contributions - private sources & donations	287,967	256,495	544,462	-	760,365
Miscellaneous revenues	136,133	3,457	139,590	-	1,079,227
Total revenues	13,240,326	12,578,438	25,818,764	116	91,753,139
EXPENDITURES					
Current:					
General government	242,823	98,831	341,654	1,504	7,387,409
Public safety	-	-	-	-	10,658,016
Physical environment	1,797,136	-	1,797,136	-	6,292,852
Transportation	-	9,391,059	9,391,059	-	11,650,122
Economic environment	-	59,080	59,080	-	3,163,708
Human services	-	-	-	-	3,912,990
Culture and recreation	150	-	150	-	3,803,491
Capital outlay	859,661	2,398,835	3,258,496	-	24,335,645
Debt Service:					
Principal	-	-	-	-	7,319,273
Interest	-	-	-	-	3,262,775
Other debt service costs	-	-	-	-	15,670
Total expenditures	2,899,770	11,947,805	14,847,575	1,504	81,801,951
Excess (deficiency) of revenues over (under) expenditures	10,340,556	630,633	10,971,189	(1,388)	9,951,188
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	9,865,699
Transfers out	(3,666,873)	(208,523)	(3,875,396)	-	(9,826,874)
Total other financing sources (uses)	(3,666,873)	(208,523)	(3,875,396)	-	38,825
Net change in fund balances	6,673,683	422,110	7,095,793	(1,388)	9,990,013
Fund balances - beginning	14,667,696	14,095,554	28,763,250	39,070	111,311,274
Fund balances - ending	\$21,341,379	\$ 14,517,664	\$ 35,859,043	\$ 37,682	\$ 121,301,287

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, 2021

	Business Type Activities Enterprise Funds		
	Airport	Martin County Golf Course	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 45,532	\$ 25,806	\$ 71,338
Investments	1,801,521	-	1,801,521
Accounts receivable	25,197	-	25,197
Receivables from other governmental agencies	1,343,762	-	1,343,762
Inventories	-	10,536	10,536
Assets held for resale or donation	90,000	-	90,000
Prepaid items	-	-	-
Total current assets	3,306,012	36,342	3,342,354
Noncurrent assets:			
Capital assets:			
Land and land use rights - permanent	6,875,978	-	6,875,978
Buildings	6,248,843	1,258,259	7,507,102
Equipment	632,807	1,037,799	1,670,606
Land improvements	-	1,355,456	1,355,456
Airport improvements	34,428,995	-	34,428,995
Construction in progress	2,127,896	-	2,127,896
Intangible assets	15,076	-	15,076
Less accumulated depreciation	(19,553,606)	(2,122,758)	(21,676,364)
Capital assets, net	<u>30,775,989</u>	<u>1,528,756</u>	<u>32,304,745</u>
Total noncurrent assets	30,775,989	1,528,756	32,304,745
Total assets	34,082,001	1,565,098	35,647,099
DEFERRED OUTFLOWS OF RESOURCES			
Pension	96,202	31,188	127,390
Other postemployment benefits	23,318	8,535	31,853
Total deferred outflows of resources	119,520	39,723	159,243
LIABILITIES			
Current liabilities:			
Payable from current assets:			
Accounts payable	575,381	17,545	592,926
Accrued wages payable	32,732	10,712	43,444
Accrued compensated absences, current	36,000	1,500	37,500
Unearned revenue	-	7,077	7,077
Total current liabilities	644,113	36,834	680,947
Noncurrent liabilities:			
Accrued compensated absences	27,595	1,679	29,274
Other postemployment benefits liability	135,077	49,442	184,519
Net pension liability	166,860	54,094	220,954
Total noncurrent liabilities	329,532	105,215	434,747
Total liabilities	973,645	142,049	1,115,694
DEFERRED INFLOWS OF RESOURCES			
Pension	279,335	90,558	369,893
Other postemployment benefits	6,715	2,458	9,173
Total deferred inflows of resources	286,050	93,016	379,066
NET POSITION			
Net investment in capital assets	30,775,991	1,528,757	32,304,748
Restricted:			
Noise abatement projects	90,000	-	90,000
Unrestricted	2,075,835	(159,001)	1,916,834
Total net position	\$ 32,941,826	\$ 1,369,756	\$ 34,311,582

Martin County, Florida
Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended September 30, 2021

	Business Type Activities		
	Enterprise Funds		
	Airport	Martin County Golf Course	Total
OPERATING REVENUES			
Charges for services	\$ 2,390,699	\$ 598,792	\$ 2,989,491
Miscellaneous revenues	30,955	29,989	60,944
Total operating revenues	2,421,654	628,781	3,050,435
OPERATING EXPENSES			
Salaries and related expenses	631,249	165,446	796,695
General and administrative and claims	982,205	7,684	989,889
Operating and maintenance	540,894	1,450,389	1,991,283
Depreciation and amortization	2,197,481	217,871	2,415,352
Total operating expenses	4,351,829	1,841,390	6,193,219
Operating loss	(1,930,175)	(1,212,609)	(3,142,784)
NONOPERATING REVENUES			
Interest income	5,631	(103)	5,528
Loss before contributions and transfers	(1,924,544)	(1,212,712)	(3,137,256)
Capital contributions	2,591,143	22,342	2,613,485
Transfers in	-	1,060,000	1,060,000
Change in net position	666,599	(130,370)	536,229
Total net position - beginning	32,275,227	1,500,126	33,775,353
Total net position - ending	\$ 32,941,826	\$ 1,369,756	\$ 34,311,582

Martin County, Florida
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2021

	Airport	Martin County Golf Course	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 2,388,385	\$ 598,945	\$ 2,987,330
Other receipts	30,955	29,989	60,944
Payments for salaries and benefits	(609,454)	(207,240)	(816,694)
Payments to suppliers	(1,263,375)	(1,612,164)	(2,875,539)
Net cash provided (used) by operating activities	<u>546,511</u>	<u>(1,190,470)</u>	<u>(643,959)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	1,060,000	1,060,000
Net cash provided by noncapital financing activities	<u>-</u>	<u>1,060,000</u>	<u>1,060,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital grants received	1,996,302	-	1,996,302
Purchases of capital assets	(2,713,045)	-	(2,713,045)
Net cash provided (used) by capital and related financing activities	<u>(716,743)</u>	<u>-</u>	<u>(716,743)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and gains (loss) on investments	(269,806)	-	(269,806)
Interest received	5,631	(103)	5,528
Net cash provided (used) by investing activities	<u>(264,175)</u>	<u>(103)</u>	<u>(264,278)</u>
Change in cash and cash equivalents	<u>(434,407)</u>	<u>(130,573)</u>	<u>(564,980)</u>
Cash and cash equivalents - beginning of the year	<u>479,939</u>	<u>156,379</u>	<u>636,318</u>
Cash and cash equivalents - end of year	<u>\$ 45,532</u>	<u>\$ 25,806</u>	<u>\$ 71,338</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating loss	\$ (1,930,175)	\$ (1,212,610)	\$ (3,142,785)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation and amortization	2,197,481	217,871	2,415,352
Changes in assets and liabilities:			
Accounts receivable, net	(2,316)	204	(2,112)
Deferred outflows, pension	48,917	26,456	75,373
Deferred outflow, OPEB	(1,138)	(416)	(1,554)
Unearned revenue	-	(51)	(51)
Inventories	-	(5,600)	(5,600)
Accounts payable	259,726	(148,490)	111,236
Accrued wages	3,988	(2,972)	1,016
Deferred inflows, pension	269,194	86,530	355,724
Deferred inflow, OPEB	(1,257)	(460)	(1,717)
Net pension liability	(315,146)	(137,370)	(452,516)
Other post-employment benefits	7,142	2,614	9,756
Accrued compensated absences	10,095	(16,176)	(6,081)
Net cash provided (used) by operating activities:	<u>\$ 546,511</u>	<u>\$ (1,190,470)</u>	<u>\$ (643,959)</u>
NONCASH INVESTING CAPITAL AND FINANCING ACTIVITIES			

**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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 300,000	\$ 300,000	\$ 302,564	\$ 2,564
Interest income	-	-	2,403	2,403
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>304,967</u>	<u>4,967</u>
EXPENDITURES:				
Current:				
General government	10,459	10,459	82,483	(72,024)
Culture and recreation	-	-	262	262
Capital outlay	289,541	1,043,091	203,953	839,138
Total expenditures	<u>300,000</u>	<u>1,053,550</u>	<u>286,698</u>	<u>766,852</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(753,550)</u>	<u>18,269</u>	<u>771,819</u>
Net change in fund balances	<u>-</u>	<u>(753,550)</u>	<u>18,269</u>	<u>\$ 771,819</u>
Fund balances, beginning	<u>-</u>	<u>753,550</u>	<u>753,550</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 771,819</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 215,000	\$ 215,000	\$ 215,261	\$ 261
Interest income	-	-	974	974
Total revenues	<u>215,000</u>	<u>215,000</u>	<u>216,235</u>	<u>1,235</u>
EXPENDITURES:				
Current:				
General government	5,500	19,060	14,709	4,351
Culture and recreation	-	-	6,364	(6,364)
Capital outlay	209,500	430,629	-	430,629
Total expenditures	<u>215,000</u>	<u>449,689</u>	<u>21,073</u>	<u>428,616</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(234,689)</u>	<u>195,162</u>	<u>429,851</u>
Net change in fund balances	<u>-</u>	<u>(234,689)</u>	<u>195,162</u>	<u>\$ 429,851</u>
Fund balances, beginning	<u>-</u>	<u>234,689</u>	<u>234,688</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 429,850</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 208,000	\$ 208,000	\$ 210,034	\$ 2,034
Interest income	-	-	1,289	1,289
Total revenues	<u>208,000</u>	<u>208,000</u>	<u>211,323</u>	<u>3,323</u>
EXPENDITURES:				
Current:				
General government	7,500	24,700	61,202	(36,502)
Capital outlay	200,500	577,529	112,395	465,134
Total expenditures	<u>208,000</u>	<u>602,229</u>	<u>173,597</u>	<u>428,632</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(394,229)</u>	<u>37,726</u>	<u>431,955</u>
Net change in fund balances	<u>-</u>	<u>(394,229)</u>	<u>37,726</u>	<u>\$ 431,955</u>
Fund balances, beginning	<u>-</u>	<u>394,229</u>	<u>394,229</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 431,955</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 200,000	\$ 200,000	\$ 202,351	\$ 2,351
Interest income	2,000	2,000	815	(1,185)
Total revenues	<u>202,000</u>	<u>202,000</u>	<u>203,166</u>	<u>1,166</u>
EXPENDITURES:				
Current:				
General government	-	-	9,299	(9,299)
Human services	11,774	14,718	14,717	1
Capital outlay	200,000	721,755	456,879	264,876
Total expenditures	<u>211,774</u>	<u>736,473</u>	<u>480,895</u>	<u>255,578</u>
Deficiency of revenues under expenditures	<u>(9,774)</u>	<u>(534,473)</u>	<u>(277,729)</u>	<u>256,744</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	313,951	313,951	-
Net change in fund balances	<u>(9,774)</u>	<u>(220,522)</u>	<u>36,222</u>	<u>\$ 256,744</u>
Fund balances, beginning	<u>9,774</u>	<u>220,522</u>	<u>220,521</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 256,743</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 250,000	\$ 250,000	\$ 253,012	\$ 3,012
Interest income	-	-	600	600
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>253,612</u>	<u>3,612</u>
EXPENDITURES:				
Current:				
General government	6,000	(2,000)	33,399	(35,399)
Transportation	-	8,000	-	8,000
Capital outlay	244,000	524,294	14,126	510,168
Total expenditures	<u>250,000</u>	<u>530,294</u>	<u>47,525</u>	<u>482,769</u>
Excess of revenues over expenditures	<u>-</u>	<u>(280,294)</u>	<u>206,087</u>	<u>486,381</u>
Net change in fund balances	<u>-</u>	<u>(280,294)</u>	<u>206,087</u>	<u>\$ 486,381</u>
Fund balances, beginning	<u>-</u>	<u>280,294</u>	<u>280,293</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 486,380</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 1,000,000	\$ 1,000,000	\$ 975,732	\$ (24,268)
Permits, fees and special assessments	4,655,000	4,655,000	6,074,012	1,419,012
Intergovernmental revenues	2,335,025	2,335,025	2,537,441	202,416
Charges for services	1,007,000	1,007,000	1,102,450	95,450
Fines and forfeitures	241,500	241,500	500,769	259,269
Interest income	190,000	190,000	38,992	(151,008)
Miscellaneous revenues	172,000	172,000	103,352	(68,648)
Statutory budget reduction	(110,000)	(110,000)	-	110,000
Total revenues	9,490,525	9,490,525	11,332,748	1,842,223
EXPENDITURES:				
Current:				
General government	3,789,047	4,047,982	3,373,687	674,295
Public safety	6,408,197	7,099,552	5,864,730	1,234,822
Transportation	10,970	-	-	-
Capital outlay	-	-	249,006	(249,006)
Total expenditures	10,208,214	11,147,534	9,487,423	1,660,111
Excess (deficiency) of revenues over (under) expenditures	(717,689)	(1,657,009)	1,845,325	3,502,334
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(600,000)	(600,000)	-
Reserves	(3,676,838)	(10,794,586)	-	10,794,586
Total other financing sources (uses)	(3,676,838)	(11,394,586)	(600,000)	10,794,586
Net change in fund balances	(4,394,527)	(13,051,595)	1,245,325	\$ 14,296,920
Fund balances, beginning	4,394,527	13,051,595	13,051,595	
Fund balances, ending	\$ -	\$ -	\$ 14,296,920	

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 12,932,355	\$ 12,932,355	\$ 13,093,858	\$ 161,503
Permits, fees and special assessments	25,000	25,000	71,977	46,977
Intergovernmental revenues	6,200	147,898	63,832	(84,066)
Charges for services	400,000	400,000	321,305	(78,695)
Interest income	111,000	111,000	54,011	(56,989)
Contributions - private sources & donations	2,000	27,000	47,091	20,091
Miscellaneous revenues	-	-	92,473	92,473
Statutory budget reduction	(39,000)	(39,000)	-	39,000
Total revenues	13,437,555	13,604,253	13,744,547	140,294
EXPENDITURES:				
Current:				
General government	393,499	418,499	426,048	(7,549)
Physical environment	4,116,870	4,800,832	4,117,028	683,804
Transportation	2,032,933	2,849,402	2,054,050	795,352
Culture and recreation	3,268,662	3,293,662	3,036,179	257,483
Capital outlay	3,593,583	8,644,048	1,943,225	6,700,823
Total expenditures	13,405,547	20,006,443	11,576,530	8,429,913
Excess (deficiency) of revenues over (under) expenditures	32,008	(6,402,190)	2,168,017	8,570,207
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(2,138,639)	(896,540)	1,242,099
Reserves	(287,097)	(1,923,058)	-	1,923,058
Total other financing sources (uses)	(287,097)	(4,061,697)	(896,540)	3,165,157
Net change in fund balances	(255,089)	(10,463,887)	1,271,477	\$ 11,735,364
Fund balances, beginning	255,089	10,463,887	11,297,955	
Fund balances, ending	\$ -	\$ -	\$ 12,569,432	

Martin County, Florida
Nonmajor Special Revenue Funds
CRA Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Intergovernmental revenues	\$ 4,626,926	\$ 4,626,926	\$ 4,464,845	\$ (162,081)
Interest income	-	-	37,995	37,995
Contributions - private sources & donations	-	-	28,385	28,385
Total revenues	<u>4,626,926</u>	<u>4,626,926</u>	<u>4,531,225</u>	<u>(95,701)</u>
EXPENDITURES:				
Current:				
Economic environment	660,657	717,809	924,024	(206,215)
Capital outlay	3,506,490	15,260,691	6,239,316	9,021,375
Total expenditures	<u>4,167,147</u>	<u>15,978,500</u>	<u>7,163,340</u>	<u>8,815,160</u>
Excess (deficiency) of revenues over (under) expenditures	<u>459,779</u>	<u>(11,351,574)</u>	<u>(2,632,115)</u>	<u>8,719,459</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(448,344)	(748,344)	(448,344)	300,000
Reserves	(11,435)	(1,435)	-	1,435
Total other financing sources (uses):	<u>(459,779)</u>	<u>(749,779)</u>	<u>(448,344)</u>	<u>301,435</u>
Net change in fund balances	-	(12,101,353)	(3,080,459)	<u>\$ 9,020,894</u>
Fund balances, beginning	-	12,101,353	12,126,815	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,046,356</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 3,870	\$ 3,870
Miscellaneous revenues	-	-	247,766	247,766
Total revenues	-	-	251,636	251,636
EXPENDITURES:				
Current:				
Economic environment	-	1,280,781	410,685	870,096
Human services	-	-	406	(406)
Total expenditures	-	1,280,781	411,091	869,690
Deficiency of revenues under expenditures	-	(1,280,781)	(159,455)	1,121,326
Net change in fund balances	-	(1,280,781)	(159,455)	<u>\$ 1,121,326</u>
Fund balances, beginning	-	1,280,781	1,280,781	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,121,326</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Intergovernmental revenues	\$ 200,740	\$ 2,930,107	\$ 700,136	\$ (2,229,971)
Interest income	-	-	797	797
Total revenues	<u>200,740</u>	<u>2,930,107</u>	<u>701,162</u>	<u>(2,228,945)</u>
EXPENDITURES:				
Current:				
Public safety	200,740	1,334,198	298,464	1,035,734
Physical environment	-	150,000	-	150,000
Human services	-	192,430	32,224	160,206
Culture and recreation	-	371,136	367,533	3,603
Capital outlay	-	1,552,891	505,059	1,047,832
Total expenditures	<u>200,740</u>	<u>3,600,655</u>	<u>1,203,280</u>	<u>2,397,375</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(670,548)</u>	<u>(502,118)</u>	<u>168,430</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	499,000	249,000	(250,000)
Net change in fund balances	-	(171,548)	(253,118)	<u><u>\$(81,570)</u></u>
Fund balances, beginning	-	171,548	244,739	
Fund balances, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (8,379)</u></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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Permits, fees and special assessments	\$ 790,000	\$ 790,000	\$ 3,901,234	\$ 3,111,234
Interest income	15,000	15,000	20,301	5,301
Statutory budget reduction	(2,000)	(2,000)	-	2,000
Total revenues	803,000	803,000	3,921,535	3,118,535
EXPENDITURES:				
Current:				
General government	-	411,617	27,631	383,986
Public safety	10,000	10,000	2,441	7,559
Physical environment	-	261,176	48,318	212,858
Culture and recreation	-	-	170,433	(170,433)
Capital outlay	70,000	3,631,011	392,078	3,238,933
Total expenditures	80,000	4,313,804	640,901	3,672,903
Excess (deficiency) of revenues over (under) expenditures	723,000	(3,510,804)	3,280,634	6,791,438
OTHER FINANCING SOURCES (USES)				
Transfers out	(261,671)	(511,671)	(447,032)	64,639
Reserves	(723,000)	(2,357,875)	-	2,357,875
Total other financing sources (uses)	(984,671)	(2,869,546)	(447,032)	(2,422,514)
Net change in fund balances	(261,671)	(6,380,350)	2,833,602	\$ 9,213,952
Fund balances, beginning	261,671	6,380,350	6,380,349	
Fund balances, ending	\$ -	\$ -	\$ 9,213,951	

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Permits, fees and special assessments	\$ 320,000	\$ 320,000	\$ 2,459,560	\$ 2,139,560
Interest income	10,000	10,000	11,683	1,683
Contributions - private sources & donations	-	121,577	140,427	18,850
Total revenues	330,000	451,577	2,611,670	2,160,093
EXPENDITURES:				
Current:				
Transportation	-	-	1,205	(1,205)
Capital outlay	-	1,570,299	546,054	1,024,245
Total expenditures	-	1,570,299	547,259	1,023,040
Excess (deficiency) of revenues over (under) expenditures	330,000	(1,118,722)	2,064,411	3,183,133
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,945,000)	(1,945,000)	(1,945,000)	-
Reserves	(330,000)	(1,352,490)	-	1,352,490
Total other financing sources (uses)	(2,275,000)	(3,297,490)	(1,945,000)	1,352,490
Net change in fund balances	(1,945,000)	(4,416,212)	119,411	\$ 4,535,623
Fund balances, beginning	1,945,000	4,416,212	4,416,212	
Fund balances, ending	\$ -	\$ -	\$ 4,535,623	

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 8,098,534	\$ 8,098,534	\$ 8,195,924	\$ 97,390
Charges for services	790,000	790,000	743,166	(46,834)
Fines and forfeitures	7,000	7,000	1,633	(5,367)
Interest income	40,500	40,500	16,896	(23,604)
Miscellaneous revenues	85,000	85,000	348,619	263,619
Total revenues	<u>9,021,034</u>	<u>9,021,034</u>	<u>9,306,238</u>	<u>285,204</u>
EXPENDITURES:				
Current:				
General government	247,250	315,049	257,340	57,709
Public safety	4,078,364	4,228,364	3,874,897	353,467
Human services	4,587,102	4,604,352	3,865,643	738,709
Total expenditures	<u>8,912,716</u>	<u>9,147,765</u>	<u>7,997,880</u>	<u>1,149,885</u>
Excess (deficiency) of revenues over (under) expenditures	<u>108,318</u>	<u>(126,731)</u>	<u>1,308,358</u>	<u>1,435,089</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	354,470	354,470	362,967	8,497
Transfers out	(637,434)	(1,048,128)	(886,841)	161,287
Reserves	(180,500)	(2,247,622)	-	2,247,622
Total other financing sources (uses)	<u>(463,464)</u>	<u>(2,941,280)</u>	<u>(523,874)</u>	<u>2,417,406</u>
Net change in fund balances	<u>(355,146)</u>	<u>(3,068,011)</u>	<u>784,484</u>	<u>\$ 3,852,495</u>
Fund balances, beginning	<u>355,146</u>	<u>3,068,011</u>	<u>3,004,013</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,788,497</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Charges for services	\$ 852,751	\$ 898,435	\$ 1,096,994	\$ 198,559
Fines and forfeitures	-	-	90	90
Interest income	12,165	12,165	3,516	(8,649)
Miscellaneous revenues	-	4,316	4,615	299
Total revenues	<u>864,916</u>	<u>914,916</u>	<u>1,105,215</u>	<u>190,299</u>
EXPENDITURES:				
Current:				
General government	1,823,084	1,993,084	1,777,068	216,016
Capital outlay	35,102	35,102	-	35,102
Total expenditures	<u>1,858,186</u>	<u>2,028,186</u>	<u>1,777,068</u>	<u>251,118</u>
Deficiency of revenues under expenditures	<u>(993,270)</u>	<u>(1,113,270)</u>	<u>(671,853)</u>	<u>441,417</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,062,603	1,148,392	1,096,095	(52,297)
Transfers out	(306,235)	(306,235)	(306,235)	-
Reserves	(5,370)	(457,954)	-	457,954
Total other financing sources (uses)	<u>750,998</u>	<u>384,203</u>	<u>789,860</u>	<u>405,657</u>
Net change in fund balances	<u>(242,272)</u>	<u>(729,067)</u>	<u>118,007</u>	<u>\$ 847,074</u>
Fund balances, beginning	<u>242,272</u>	<u>729,067</u>	<u>731,695</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 849,702</u>	

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 2,503,767	\$ 2,503,767	\$ 3,624,833	\$ 1,121,066
Interest income	25,000	25,000	13,133	(11,867)
Miscellaneous revenues	-	-	359	359
Statutory budget reduction	(125,000)	(125,000)	-	125,000
Total revenues	<u>2,403,767</u>	<u>2,403,767</u>	<u>3,638,325</u>	<u>1,234,558</u>
EXPENDITURES:				
Current:				
General government	95,000	1,128,443	127,636	1,000,807
Physical environment	500,000	1,000,000	-	1,000,000
Economic environment	1,686,293	3,689,915	1,729,128	1,960,787
Culture and recreation	186,474	186,474	212,866	(26,392)
Capital outlay	132,000	929,281	833,482	95,799
Total expenditures	<u>2,599,767</u>	<u>6,934,113</u>	<u>2,903,112</u>	<u>4,031,001</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(196,000)</u>	<u>(4,530,346)</u>	<u>735,213</u>	<u>5,265,559</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	201,000	201,000	201,000	-
Reserves	(10,000)	(18,168)	-	18,168
Total other financing sources (uses)	<u>191,000</u>	<u>182,832</u>	<u>201,000</u>	<u>18,168</u>
Net change in fund balances	<u>(5,000)</u>	<u>(4,347,514)</u>	<u>936,213</u>	<u>\$ 5,283,727</u>
Fund balances, beginning	<u>5,000</u>	<u>4,347,514</u>	<u>4,347,517</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,283,730</u>	

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 521	\$ 521
EXPENDITURES:				
Current:				
General government	-	98,114	59,111	39,003
Economic environment	10,000	10,000	8,447	1,553
Culture and recreation	12,820	12,820	9,704	3,116
Capital outlay	-	25,000	25,000	-
Total expenditures	22,820	145,934	102,262	43,672
Deficiency of revenues under expenditures	(22,820)	(145,934)	(101,741)	44,193
OTHER FINANCING SOURCES (USES):				
Transfers in	-	50,000	50,000	-
Transfers out	-	313,951	(313,951)	-
Net change in fund balances	(22,820)	(409,885)	(365,692)	\$ 44,193
Fund balances, beginning	22,820	409,885	409,815	
Fund balances, ending	\$ -	\$ -	\$ 44,123	

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Permits, fees and special assessments	\$ 8,207,000	\$ 8,207,000	\$ 9,082,048	\$ 875,048
Interest income	-	-	55,194	55,194
Total revenues	<u>8,207,000</u>	<u>8,207,000</u>	<u>9,137,242</u>	<u>930,242</u>
EXPENDITURES:				
Current:				
Physical environment	-	-	330,370	(330,370)
Transportation	-	346,064	203,808	142,256
Economic environment	-	-	32,344	(32,344)
Capital outlay	8,207,000	26,033,821	9,481,553	16,552,268
Total expenditures	<u>8,207,000</u>	<u>26,379,885</u>	<u>10,048,075</u>	<u>16,331,810</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(18,172,885)</u>	<u>(910,833)</u>	<u>17,262,052</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(543,927)	(49,038)	494,889
Net change in fund balances	-	(18,716,812)	(959,871)	<u>\$ 17,756,941</u>
Fund balances, beginning	-	18,716,812	18,716,813	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,756,942</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Charges for services	\$ 402,199	\$ 402,199	\$ 637,029	\$ 234,830
EXPENDITURES:				
Current:				
General government	395,321	395,321	167,430	227,891
Excess of revenues over expenditures	6,878	6,878	469,599	462,721
OTHER FINANCING SOURCES (USES):				
Reserves	(1,077,232)	(1,077,232)	-	1,077,232
Net change in fund balances	(1,070,354)	(1,070,354)	469,599	\$ 1,539,953
Fund balances, beginning	1,070,354	1,070,354	1,078,559	
Fund balances, ending	\$ -	\$ -	\$ 1,548,158	

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 1,922	\$ 1,922
EXPENDITURES:				
Debt service				
Principal	2,956,000	2,956,000	1,250,000	1,706,000
Interest	-	-	1,706,000	(1,706,000)
Other debt service costs	16,185	16,185	1,810	14,375
Total expenditures	<u>2,972,185</u>	<u>2,972,185</u>	<u>2,957,810</u>	<u>14,375</u>
Deficiency of revenues under expenditures	<u>(2,972,185)</u>	<u>(2,972,185)</u>	<u>(2,955,888)</u>	<u>16,297</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	2,972,185	2,972,185	2,956,625	(15,560)
Reserves	-	(749,661)	-	749,661
Net change in fund balances	-	(749,661)	737	<u>\$ 750,398</u>
Fund balances, beginning	-	749,661	749,661	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 750,398</u>	

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Permits, fees and special assessments	\$ 179,643	\$ 179,643	\$ 102,386	\$ (77,257)
Intergovernmental revenues	\$ 2,400,378	\$ 2,400,378	\$ 2,400,378	\$ -
Interest income	20,800	20,800	98,525	77,725
Total revenues	2,600,821	2,600,821	2,601,289	468
EXPENDITURES:				
General government	-	129,698	1,469	128,229
Debt service				
Principal	6,069,274	6,069,274	6,069,273	1
Interest	1,557,572	1,557,572	1,556,775	797
Other debt service costs	28,722	28,722	13,860	14,862
Total expenditures	7,655,568	7,785,266	7,641,377	143,889
Deficiency of revenues under expenditures	(5,054,747)	(5,184,445)	(5,040,088)	144,357
OTHER FINANCING SOURCES (USES):				
Transfers in	4,435,866	4,435,866	4,321,412	(114,454)
Reserves	-	(1,216,642)	-	1,216,642
Total other financing sources (uses)	4,435,866	3,219,224	4,321,412	1,102,188
Net change in fund balances	(618,881)	(1,965,221)	(718,676)	\$ 1,246,545
Fund balances, beginning	618,881	1,965,221	1,965,222	
Fund balances, ending	\$ -	\$ -	\$ 1,246,546	

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 12,483,910	\$ 12,483,910	\$ 12,636,400	\$ 152,490
Permits, fees and special assessments	160,000	160,000	142,359	(17,641)
Intergovernmental revenues	165,000	165,000	124,152	(40,848)
Fines and forfeitures	140,000	140,000	121,788	(18,212)
Interest income	150,000	150,000	197,178	47,178
Contributions - private sources & donations	-	-	544	544
Miscellaneous revenues	-	479,000	47,012	(431,988)
Statutory budget reduction	(19,750)	(19,750)	-	19,750
Total revenues	13,079,160	13,558,160	13,269,433	(288,727)
EXPENDITURES:				
Current:				
General government	604,961	612,761	711,697	(98,936)
Public safety	-	-	23,215	(23,215)
Physical environment	715,000	1,416,201	472,147	944,054
Transportation	-	702,230	543,865	158,365
Economic environment	-	-	8,620	(8,620)
Culture and recreation	-	-	1,003,008	(1,003,008)
Capital outlay	11,596,606	67,018,855	18,977,410	48,041,445
Debt service:				
Principal	1,436,452	1,808,414	1,747,028	61,386
Interest	387,673	387,673	449,056	(61,383)
Other debt service costs	2,000	2,000	2,520	(520)
Total expenditures	14,742,692	71,948,134	23,938,566	48,009,568
Deficiency of revenues under expenditures	(1,663,532)	(58,389,974)	(10,669,133)	47,720,841
OTHER FINANCING SOURCES (USES):				
Transfers in	1,684,126	2,056,088	2,056,088	-
Transfers out	(150,000)	(360,000)	(200,000)	160,000
Reserves	(8,415)	(5,464,043)	-	5,464,043
Total other financing sources (uses)	1,525,711	(3,767,955)	1,856,088	5,624,043
Net change in fund balances	(137,821)	(62,157,929)	(8,813,045)	\$ 53,344,884
Fund balances, beginning	137,821	62,157,929	62,616,534	
Fund balances, ending	\$ -	\$ -	\$ 53,803,489	

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 5,587,965	\$ 5,587,965	\$ 5,657,312	\$ 69,347
Permits, fees and special assessments	75,000	75,000	71,179	(3,821)
Intergovernmental revenues	-	3,413,227	7,046,113	3,632,886
Interest income	100,000	100,000	41,622	(58,378)
Contributions - private sources & donations	-	500,524	287,967	(212,557)
Miscellaneous revenues	100,000	510,000	136,133	(373,867)
Statutory budget reduction	(2,500)	(2,500)	-	2,500
Total revenues	5,860,465	10,184,216	13,240,326	3,056,110
EXPENDITURES:				
Current:				
General government	59,010	59,010	242,823	(183,813)
Physical environment	5,777,832	10,045,485	1,797,136	8,248,349
Transportation	2,743	-	-	-
Culture and recreation	-	-	150	(150)
Capital outlay	-	1,280,740	859,661	421,079
Total expenditures	5,839,585	11,385,235	2,899,770	8,485,465
Excess (deficiency) of revenues over (under) expenditures	20,880	(1,201,019)	10,340,556	11,541,575
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(8,427,135)	(3,666,873)	4,760,262
Reserves	(121,615)	(5,039,542)	-	5,039,542
Total other financing sources (uses)	121,615	13,466,677	(3,666,873)	9,799,804
Net change in fund balances	(100,735)	(14,667,696)	6,673,683	\$ 21,341,379
Fund balances, beginning	100,735	14,667,696	14,667,696	
Fund balances, ending	\$ -	\$ -	\$ 21,341,379	

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 7,131,975	\$ 7,794,975	\$ 7,879,538	\$ 84,563
Permits, fees and special assessments	340,000	465,000	764,593	299,593
Intergovernmental revenues	2,582,518	2,582,518	2,893,663	311,145
Charges for services	677,364	677,364	730,124	52,760
Interest income	125,000	125,000	50,568	(74,432)
Contributions - private sources & donations	27,742	89,237	256,495	167,258
Miscellaneous revenues	160,000	160,000	3,457	(156,543)
Statutory budget reduction	(196,120)	(196,120)	-	196,120
Total revenues	10,848,479	11,697,974	12,578,438	880,464
EXPENDITURES:				
Current:				
General government	123,577	123,577	98,832	24,745
Transportation	8,771,093	10,455,108	9,391,059	1,064,049
Economic environment	31,307	31,307	59,080	(27,773)
Capital outlay	1,619,800	6,499,285	2,398,835	4,100,450
Debt service				
Total expenditures	10,545,777	17,109,277	11,947,806	5,161,471
Excess (deficiency) of revenues over (under) expenditures	302,702	(5,411,303)	630,632	6,041,935
OTHER FINANCING SOURCES (USES):				
Transfers out	(208,052)	(209,762)	(208,522)	1,240
Reserves	(1,267,160)	(7,618,257)	-	7,618,257
Total other financing sources (uses)	(1,475,212)	(7,828,019)	(208,522)	7,619,497
Net change in fund balances	(1,172,510)	(13,239,322)	422,110	\$ 13,661,432
Fund balances, beginning	1,172,510	13,239,322	14,095,554	
Fund balances, ending	\$ -	\$ -	\$ 14,517,664	

INTERNAL SERVICE FUNDS
COMBINING STATEMENTS

Martin County, Florida
Internal Service Funds
Combining Statement of Net Position
September 30, 2021

	Self-Insurance	Vehicle Maintenance	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 7,801,730	\$ 300,914	\$ 8,102,644
Restricted cash	393,500	-	393,500
Investments	3,624,260	2,381,126	6,005,386
Accounts receivable	898,528	29,370	927,898
Due from other funds	396,438	16,040	412,478
Due from other governmental agencies	-	6,156	6,156
Inventories	-	154,504	154,504
Prepaid items	4,000	-	4,000
Total current assets	13,118,456	2,888,110	16,006,566
Noncurrent assets:			
Equipment	21,267	5,010,116	5,031,383
Less accumulated depreciation	(12,406)	(3,804,504)	(3,816,910)
Capital assets, net	8,861	1,205,612	1,214,473
Total assets	13,127,317	4,093,722	17,221,039
LIABILITIES			
Current liabilities:			
Accounts payable and accrued claims	2,278,744	171,457	2,450,201
Accrued wages payable	-	32,317	32,317
Accrued compensated absences, current	-	46,000	46,000
Total current liabilities	2,278,744	249,774	2,528,518
Noncurrent liabilities:			
Accrued compensated absences	-	8,124	8,124
Total liabilities	2,278,744	257,898	2,536,642
NET POSITION			
Net investment in capital assets	8,861	1,205,612	1,214,473
Unrestricted	10,839,712	2,630,212	13,469,924
Total net position	\$ 10,848,573	\$ 3,835,824	\$ 14,684,397

Martin County, Florida
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2021

	<u>Self-Insurance</u>	<u>Vehicle Maintenance</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 38,190,435	\$ 1,508,850	\$ 39,699,285
Miscellaneous revenues	4,081,114	220	4,081,334
Total operating revenues	<u>42,271,549</u>	<u>1,509,070</u>	<u>43,780,619</u>
OPERATING EXPENSES			
Salaries and related expenses	-	585,292	585,292
General and administrative and claims	42,505,851	498,690	43,004,541
Depreciation and amortization	7,089	522,106	529,195
Total operating expenses	<u>42,512,940</u>	<u>1,606,088</u>	<u>44,119,028</u>
Operating income (loss)	<u>(241,391)</u>	<u>(97,018)</u>	<u>(338,409)</u>
NONOPERATING REVENUES			
Interest income	13,016	7,523	20,539
Gain on disposition of capital assets	-	249,204	249,204
Total net nonoperating revenues	<u>13,016</u>	<u>256,727</u>	<u>269,743</u>
Change in net position	(228,375)	159,709	(68,666)
Total net position - beginning	<u>11,076,948</u>	<u>3,676,115</u>	<u>14,753,063</u>
Total net position - ending	<u>\$ 10,848,573</u>	<u>\$ 3,835,824</u>	<u>\$ 14,684,397</u>

Martin County, Florida
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended September 30, 2021

	Self-Insurance	Vehicle Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 36,647,454	\$ 1,488,622	\$ 38,136,076
Other receipts	4,081,114	220	4,081,334
Payments for salaries and benefits	-	(584,537)	(584,537)
Payments to suppliers	(43,429,453)	(463,136)	(43,892,589)
Net cash provided (used) by operating activities	(2,700,885)	441,169	(2,259,716)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:			
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of capital assets	-	(599,223)	(599,223)
Proceeds from sale of assets	-	249,204	249,204
Net cash provided (used) for capital and related financing activities	-	(350,019)	(350,019)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and gain (loss) on investments	2,656,176	(79,101)	2,577,075
Interest received	13,016	7,524	20,540
Net cash provided (used) in investing activities	2,669,192	(71,577)	2,597,615
Net change in cash and cash equivalents	(31,693)	19,573	(12,120)
Cash and cash equivalents - beginning of year	8,226,923	281,341	8,508,264
Cash and cash equivalents - end of year	\$ 8,195,230	\$ 300,914	\$ 8,496,144
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (241,391)	\$ (97,018)	\$ (338,409)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation and amortization	7,089	522,106	529,195
Changes in assets and liabilities:			
Accounts receivable, net	61,239	(11,248)	49,991
Due from other funds	(1,604,217)	(8,981)	(1,613,198)
Inventories	-	(32,353)	(32,353)
Accounts payable	(923,605)	67,907	(855,698)
Accrued wages	-	5,181	5,181
Accrued compensated absences	-	(4,425)	(4,425)
Net cash provided (used) by operating activities	(2,700,885)	441,169	(2,259,716)
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, 2021

	Private Purpose Trust		
	Annie E Meyers Trust Fund	D Slosberg Driver Education Trust	Total
ASSETS			
Cash and cash equivalents	\$ 8,353	\$ 46,685	\$ 55,038
Investments	421,153	6,235	427,388
Total assets	429,506	52,920	482,426
LIABILITIES			
NET POSITION			
Held in trust	\$ 429,506	\$ 52,920	\$ 482,426

Martin County, Florida
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Year Ended September 30, 2021

	Private Purpose Trust		
	Annie E Meyers Trust Fund	D Slosberg Driver Education Trust	Total
ADDITIONS:			
Fines and forfeitures	\$ -	\$ 63,301	\$ 63,301
Interest income	1,254	75	1,329
Total additions	1,254	63,376	64,630
DEDUCTIONS:			
General government	923	-	923
Human services	-	45,074	45,074
Total deductions	923	45,074	45,997
Change in net position	331	18,302	18,633
Net position - beginning	429,175	34,618	463,793
Net position - ending	<u>\$ 429,506</u>	<u>\$ 52,920</u>	<u>\$ 482,426</u>

Martin County, Florida
Combining Statement of Fiduciary Net Position
Custodial Funds
As of September 30, 2021

	Custodial Funds				
	Board of County Commissioners	Clerk of the Circuit Court	Sheriff	Tax Collector	Total
ASSETS					
Cash and cash equivalents	\$ 136,625	\$ 5,007,511	\$ 594,119	\$ 4,668,586	\$ 10,406,841
Investments	1,103,795	183,334	-	-	1,287,129
Accounts receivable	-	-	-	411,097	411,097
Total assets	1,240,420	5,190,845	594,119	5,079,683	12,105,067
LIABILITIES					
Accounts payable	160,585	-	-	-	160,585
Due to other governmental agencies	34,821	697,422	-	5,079,683	5,811,926
Deposits from individuals and corporations	-	-	99,372	-	99,372
Total liabilities	195,406	697,422	99,372	5,079,683	6,071,883
NET POSITION					
Restricted for:					
Individuals, organizations, and other governments	1,045,014	4,493,423	494,747	-	6,033,184
Total net position	\$ 1,045,014	\$ 4,493,423	\$ 494,747	\$ -	\$ 6,033,184

Martin County, Florida
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended September 30, 2021

	Custodial Funds				
	Board of County Commissioners	Clerk of the Circuit Court	Sheriff	Tax Collector	Total
ADDITIONS:					
Fees and charges collected for others	\$ 588,593	\$ 18,584,748	\$ 522,498	\$ -	\$ 19,695,839
Tax collections for other governments	-	-	-	239,859,903	239,859,903
Miscellaneous	-	-	1,223,167	10,399,709	11,622,876
Total additions	588,593	18,584,748	1,745,665	250,259,612	271,178,618
DEDUCTIONS:					
Payments to individuals, organizations, and other governments	640,045	17,975,692	1,737,416	239,859,903	260,213,056
Miscellaneous	-	-	-	10,399,709	10,399,709
Total deductions	640,045	17,975,692	1,737,416	250,259,612	270,612,765
Change in net position	(51,452)	609,056	8,249	-	565,853
Net position - beginning, as restated	1,096,466	3,884,367	486,498	-	5,467,331
Net position - ending	\$ 1,045,014	\$ 4,493,423	\$ 494,747	\$ -	\$ 6,033,184



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Martin County, Florida
For the Year Ended September 30, 2021

STATISTICAL SECTION

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This part of Martin County's annual comprehensive 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.

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These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time	
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These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	
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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.	
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
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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 annual comprehensive 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			
	2012	2013	2014	2015
Governmental activities:				
Net investment in capital assets	\$ 455,689,546	\$ 468,253,663	\$ 573,142,960	\$ 574,409,202
Restricted	49,233,278	40,952,468	30,472,560	30,976,073
Unrestricted (deficit)	<u>9,402,189</u>	<u>2,474,994</u>	<u>(105,372,339)</u>	<u>(97,297,239)</u>
Total governmental activities net position	<u>514,325,013</u>	<u>511,681,125</u>	<u>498,243,181</u>	<u>508,088,036</u>
Business-type activities:				
Net investment in capital assets	189,187,557	189,663,805	199,404,782	207,660,423
Restricted	15,410,319	17,329,053	17,165,609	16,186,585
Unrestricted	<u>35,970,624</u>	<u>37,742,716</u>	<u>29,092,899</u>	<u>29,812,548</u>
Total business-type activities net position	<u>240,568,500</u>	<u>244,735,574</u>	<u>245,663,290</u>	<u>253,659,556</u>
Primary government:				
Net investment in capital assets	644,877,103	657,917,468	772,547,742	782,069,625
Restricted	64,643,597	58,281,521	47,638,169	47,162,658
Unrestricted (deficit)	<u>45,372,813</u>	<u>40,217,710</u>	<u>(76,279,440)</u>	<u>(67,484,691)</u>
Total primary government net position	<u>\$ 754,893,513</u>	<u>\$ 756,416,699</u> ¹	<u>\$ 743,906,471</u> ²	<u>\$ 761,747,592</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.

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					
2016	2017	2018	2019	2020	2021
\$ 582,985,255	\$ 588,757,447	\$ 578,846,232	\$ 601,338,623	\$ 620,193,915	\$ 644,479,645
17,081,598	30,094,214	27,618,666	78,089,370	79,601,114	72,645,353
<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>(184,038,718)</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>	<u>533,086,280</u>
213,980,503	215,089,431	222,075,194	230,986,721	234,840,965	240,200,094
18,433,671	21,832,218	23,922,630	24,696,371	22,642,275	24,576,091
<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>52,728,188</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>	<u>317,504,373</u>
796,965,758	803,846,878	800,921,426	832,325,344	855,034,880	884,679,739
35,515,269	51,926,432	51,541,296	102,785,741	102,243,389	97,221,444
<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>(131,310,530)</u>
<u>\$ 780,825,895</u>	<u>\$ 696,520,067 ³</u>	<u>\$ 732,575,610</u>	<u>\$ 753,707,600</u>	<u>\$ 765,345,065</u>	<u>\$ 850,590,653</u>

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

(Unaudited)

	Fiscal Year			
	2012	2013	2014	2015
EXPENSES				
Governmental activities:				
General government	\$ 55,797,878	\$ 53,243,618	\$ 55,399,076	\$ 54,161,287
Public safety	104,159,303	106,614,868	110,538,801	107,481,640
Physical environment	23,977,349 ⁴	8,293,187	12,681,511	11,751,153
Transportation	18,182,000	17,402,883	19,847,299	20,620,634
Economic environment	5,057,207	3,454,795	2,241,285	2,398,875
Human services	6,647,376	5,742,721	6,480,653	7,023,863
Culture and recreation	15,770,474	15,097,211	15,905,736	15,396,102
Interest and fiscal charges on long-term debt	3,577,768	3,476,236 ⁵	2,714,578	3,230,145
Total governmental activities expenses	<u>233,169,355</u>	<u>213,325,519</u>	<u>225,808,939</u>	<u>222,063,699</u>
Business-type activities:				
Water	16,603,897	16,405,476 ⁵	16,536,794	16,850,339
Sewer	13,581,633	13,485,814	13,530,843	13,786,910
Solid waste	16,956,387	18,067,481	18,953,186	19,119,647
Airport	2,761,332	3,090,273	2,639,790	2,809,151
Golf Course	-	-	-	2,359,326
Total business-type activities expenses	<u>49,903,249</u>	<u>51,049,044</u>	<u>51,660,613</u>	<u>54,925,373</u>
Total primary government expenses	<u>283,072,604</u>	<u>264,374,563</u>	<u>277,469,552</u>	<u>276,989,072</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
General government	13,513,244	15,605,608	15,873,094	19,683,175
Public safety	7,619,775	8,278,237	8,605,980	9,640,170
Transportation	1,400,437	1,760,747	1,703,188	2,004,028
Other functions	2,734,700	2,776,286	2,594,932	3,042,410
Operating grants and contributions	20,574,927	13,608,735	12,680,230	13,422,146
Capital grants and contributions	3,878,355	4,745,994	5,889,876	5,605,898
Total governmental activities program revenues	<u>49,721,438</u>	<u>46,775,607</u>	<u>47,347,300</u>	<u>53,397,827</u>
Business-type activities:				
Charges for services:				
Water	15,464,604	15,510,118	16,389,530	17,005,577
Sewer	12,652,858	12,690,097	13,409,616	13,913,653
Solid waste	18,052,982	18,722,135	19,521,540	20,540,252
Airport	1,419,352	1,472,235	1,507,636	1,779,790
Golf course	-	-	-	1,318,018
Operating grants and contributions	2,094,671	913,661	421,894	201,730
Capital grants and contributions	1,881,065	4,429,938	2,577,450	2,153,427
Total business-type activities program revenues	<u>51,565,532</u>	<u>53,738,184</u>	<u>53,827,666</u>	<u>56,912,447</u>
Total primary government program revenues	<u>101,286,970</u>	<u>100,513,791</u>	<u>101,174,966</u>	<u>110,310,274</u>
NET (EXPENSE)/REVENUE				
Governmental activities	(183,447,917)	(166,549,912)	(178,461,639)	(168,665,872)
Business-type activities	1,662,283	2,689,140	2,167,053	1,987,074
Total primary government net expense	<u>\$ (181,785,634)</u>	<u>\$ (163,860,772)</u>	<u>\$ (176,294,586)</u>	<u>\$ (166,678,798)</u>

(Unaudited)

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 60,130,281	\$ 81,825,734	\$ 72,222,820	\$ 76,708,159	\$ 79,135,836	\$ 75,361,775
122,869,345	131,938,152	122,941,121	154,948,452	169,589,316	144,875,113
18,707,158	13,526,213	12,611,453	17,690,501	11,060,466	16,740,196
26,668,080	28,034,919	25,588,350	27,226,015	28,414,094	29,169,914
2,762,139	3,117,596	3,248,157	4,059,861	5,405,614	4,154,570
5,477,529	6,736,303	7,886,328	7,889,435	6,810,278	6,871,475
19,164,676	18,380,784	18,885,864	20,964,724	20,177,931	20,136,453
630,743	1,616,733	2,608,387	2,989,916	3,857,091	3,604,741
<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>	<u>300,914,237</u>
18,001,230	18,107,855	18,418,508	17,832,021	20,783,312	20,004,112
14,727,068	14,904,946	15,067,538	14,587,226	17,002,334	16,365,667
20,215,746	20,127,005	22,071,898	22,236,926	24,059,828	24,840,568
2,550,230	2,867,089	2,855,588	3,478,010	3,980,649	4,349,095
<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>1,841,329</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>67,400,771</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>	<u>368,315,008</u>
18,880,214	19,691,748	21,959,446	21,216,292	16,486,527	21,485,811
10,745,708	10,758,372	11,453,571	15,071,983	14,724,266	14,918,377
8,839,752	10,904,523	11,597,968	13,938,681	12,119,256	12,949,824
3,077,146	2,831,719	3,430,711	3,992,216	2,795,721	4,699,863
22,469,288	17,742,156	18,071,188	14,985,006	23,916,661	41,371,889
8,272,209	5,967,672	6,929,695	8,821,957	12,076,458	18,841,365
<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>	<u>114,267,129</u>
17,303,188	18,217,161	17,908,528	18,978,060	19,511,132	20,580,094
14,157,153	14,904,949	14,652,432	15,527,504	15,963,653	16,838,259
21,506,398	21,862,075	23,033,917	22,846,245	22,996,139	24,322,357
1,481,705	1,576,098	1,790,287	2,055,359	2,322,456	2,390,699
1,567,205	1,360,820	1,242,475	1,155,034	415,710	598,792
332,825	200,619	698,657	434,240	58,136	2,378,552
5,905,610	8,303,835	7,994,611	11,383,405	7,803,941	8,117,671
<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>75,226,424</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>	<u>189,493,553</u>
(184,125,634)	(217,280,244)	(192,549,901)	(234,450,928)	(242,331,737)	(186,647,108)
4,603,967	8,317,481	6,665,831	12,196,218	1,298,305	7,825,653
<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>	<u>\$ (178,821,455)</u>

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

(Unaudited)

	Fiscal Year			
	2012	2013	2014	2015
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS				
Governmental activities:				
Taxes:				
Property taxes, levied for general purposes	\$ 132,500,321	\$ 130,297,554	\$ 136,804,070	\$ 143,978,913
Property taxes, levied for debt service	609,362	1,146,599	1,101,738	309,294
Sales tax	23,211,338	21,300,473	22,882,296	24,290,190
Communications taxes & other taxes	2,317,692	2,328,905	2,199,535	2,167,514
Contributions not restricted to specific programs	3,954,325	4,144,662	4,396,688	4,729,451
Investment earnings	1,408,545	343,003	916,374	1,345,004
Miscellaneous	7,837,096	4,535,942	3,915,548	4,625,758
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	(2,935,397)
Total governmental activities	171,888,679	163,906,024	165,023,695	178,510,727
Business-type activities:				
Investment earnings	1,133,568	569,429	906,800	1,345,849
Miscellaneous	1,762,564	1,702,127	1,791,371	1,727,946
Restatement	-	(743,622) ⁵	(3,887,508) ⁶	-
Transfers	(50,000)	(50,000)	(50,000)	2,935,397
Total business-type activities	2,846,132	1,477,934	(1,239,337)	6,009,192
Total primary government	174,734,811	165,383,958	163,784,358	184,519,919
CHANGES IN NET POSITION				
Governmental activities	(11,559,238)	(2,643,888)	(13,437,944)	9,844,855
Business-type activities	4,508,415	4,167,074	927,716	7,996,266
Total primary government	\$ (7,050,823)	\$ 1,523,186	\$ (12,510,228)	\$ 17,841,121

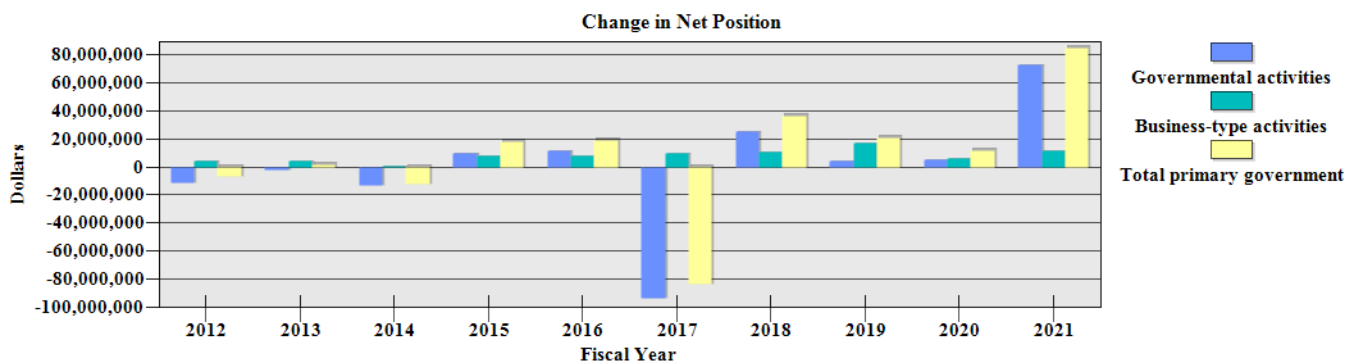
Note: For the fiscal years 2011-2012, the Martin County Community Redevelopment Agency (CRA) was reported as a discretely presented component unit and is not included in this schedule. For the remaining fiscal years, it is included in this schedule as a blended component unit. More information about 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					
2016	2017	2018	2019	2020	2021
\$ 153,708,854	\$ 163,537,265	\$ 177,654,874	\$ 188,544,685	\$ 206,468,520	\$ 217,707,071
-	-	-	-	-	-
25,216,906	26,453,707	27,201,598	26,718,241	26,360,535	30,512,386
2,080,831	2,028,122	2,022,644	1,841,005	1,754,554	1,693,712
4,858,369	5,045,489	5,112,842	5,406,243	5,102,288	5,870,682
1,015,589	1,627,547	3,056,643	5,946,573	4,610,976	948,091
9,004,747	4,591,058	3,237,554	10,360,764	4,385,411	4,251,128
-	-	-	-	-	-
-	(78,071,499) ⁷	-	-	-	-
(451,687)	(1,782,900)	(690,392)	(506,897)	(1,136,468)	(913,865)
<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>	<u>260,069,205</u>
1,000,223	1,257,963	1,802,142	2,701,675	2,047,743	910,004
1,714,451	1,771,328	1,851,316	1,867,515	1,940,870	2,173,969
-	(3,584,045) ⁷	-	-	-	-
451,687	1,782,900	690,391	506,897	1,136,468	913,865
<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>3,997,838</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>	<u>264,067,043</u>
11,307,975	(93,851,455)	25,045,862	3,859,686	5,214,079	73,422,097
7,770,328	9,545,627	11,009,680	17,272,305	6,423,386	11,823,491
<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>	<u>\$ 85,245,588</u>

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

(Unaudited)

	Fiscal Year			
	2012	2013	2014	2015
General Fund				
Nonspendable	\$ 468,101	\$ 487,906	\$ 454,920	\$ 503,070
Restricted	407,643	474,494	-	589,757
Committed	-	6,806,550	10,235,000	10,000,000
Assigned	7,253,835	11,182,066	12,669,348	13,670,207
Unassigned	23,441,718	15,562,101	6,588,539	10,274,088
Total General Fund	<u>31,571,297</u>	<u>34,513,117</u>	<u>29,947,807</u>	<u>35,037,122</u>
Other governmental funds				
Nonspendable	910,654	1,048,548	1,076,965	1,215,170
Restricted	49,297,487	42,614,298	34,284,595	34,156,092
Committed	21,813,488	26,371,572	29,004,083	28,408,166
Assigned	9,100,076	7,665,601	8,663,092	9,115,052
Unassigned	(3,147,482)	(2,521,473)	(200,962)	-
Total other governmental funds	<u>\$ 77,974,223</u>	<u>\$ 75,178,546</u>	<u>\$ 72,827,773</u>	<u>\$ 72,894,480</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					
2016	2017	2018	2019	2020	2021
\$ 697,679	\$ 691,690	\$ 1,009,653	\$ 428,595	\$ 495,476	\$ 606,146
291,012	255,066	250,956	532,242	866,204	930,218
12,118,821	-	-	-	-	-
14,967,267	14,248,233	16,035,534	12,582,102	12,518,556	22,945,115
5,383,561	5,071,422	9,469,569	20,518,225	29,752,682	38,193,826
<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>	<u>62,675,305</u>
1,542,426	1,439,591	1,376,801	1,467,422	1,510,207	1,327,141
34,047,005	34,298,141	31,356,087	79,694,247	78,829,081	73,744,115
38,516,691	42,188,800	47,763,475	58,225,295	69,735,364	65,449,221
13,180,233	24,678,083	43,491,061	34,752,162	38,803,893	40,389,284
(18,020)	(2,911,597)	(688,331)	(1,872,251)	(3,743,228)	-
<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>	<u>\$ 180,909,761</u>

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

(Unaudited)

	Fiscal Year				
	2012	2013	2014	2015	2016
REVENUES					
Taxes	\$ 146,768,325	\$ 142,650,026	\$ 149,431,010	\$ 156,330,631	\$ 165,949,315
Permits, fees and special assessments	6,084,551	7,506,700	6,883,045	9,043,602	16,050,279
Intergovernmental revenues	36,101,362	36,779,968	33,299,908	33,570,648	46,178,269
Charges for services	18,114,380	19,786,540	19,194,095	20,888,270	21,801,676
Fines and forfeitures	822,121	1,311,788	2,341,530	2,610,061	2,431,495
Interest income	1,407,366	342,889	916,263	1,362,176	1,015,118
Contributions - private sources & donations	-	-	-	-	-
Miscellaneous revenues	7,829,516	6,898,033	3,914,591	7,597,938	12,054,384
Total revenues	<u>217,127,621</u>	<u>215,275,944</u>	<u>215,980,442</u>	<u>231,403,326</u>	<u>265,480,536</u>
EXPENDITURES					
General government	46,900,656	50,476,673	48,900,686	49,976,819	54,116,377
Public safety	95,184,470	98,112,617	100,265,309	105,551,237	108,884,240
Physical environment	22,999,230	7,092,983	11,152,784	6,104,090	16,832,848
Transportation	11,054,537	10,087,197	10,887,161	10,774,798	16,168,819
Economic environment	5,057,207	3,549,055	2,204,224	2,536,617	2,875,403
Human services	6,580,066	5,508,726	6,326,816	5,986,228	6,889,048
Culture and recreation	11,072,093	11,895,764	10,972,175	13,246,401	13,802,127
Capital outlay	23,702,305	21,137,219	20,110,653	21,952,027	29,357,748
DEBT SERVICE:					
Principal	9,378,310	15,640,032	9,887,976	10,278,846	7,283,408
Interest	3,446,153	3,154,499	2,586,495	2,226,584	1,556,658
Other debt service costs	70,234	133,172	16,639	111,804	45,110
Total expenditures	<u>235,445,261</u>	<u>226,787,937</u>	<u>223,310,918</u>	<u>228,745,451</u>	<u>257,811,786</u>
Excess (deficiency) of revenues	(18,317,640)	(11,511,993)	(7,330,476)	2,657,875	7,668,750
OTHER FINANCING SOURCES (USES)					
Issuance of debt	2,740,602	4,124,148	-	-	-
Issuance of debt	-	1,320,893	644,885	2,688,885	5,355,323
Refunding bond proceeds	-	-	-	23,135,000	-
Payment to refunded bond escrow agent	-	-	-	(22,779,999)	-
Transfers in	17,061,493	13,500,594	10,037,170	12,701,960	14,332,588
Transfers out	(17,011,493)	(13,450,594)	(9,987,170)	(13,528,190)	(14,561,588)
Total other financing sources (uses)	<u>2,790,602</u>	<u>5,495,041</u>	<u>694,885</u>	<u>2,217,656</u>	<u>5,126,323</u>
Net changes in fund balances	<u>\$ (15,527,038)</u>	<u>\$ (6,016,952)</u>	<u>\$ (6,635,591)</u>	<u>\$ 4,875,531</u>	<u>\$ 12,795,073</u>
Debt service as a percentage of noncapital expenditures ⁸	6.06 %	9.14 %	6.14 %	6.05 %	3.87 %
Debt service as a percentage of total expenditures	5.48 %	8.35 %	5.59 %	5.52 %	3.45 %
Capital outlay as a percentage of total expenditures	10.07 %	9.32 %	9.01 %	9.60 %	11.39 %

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.

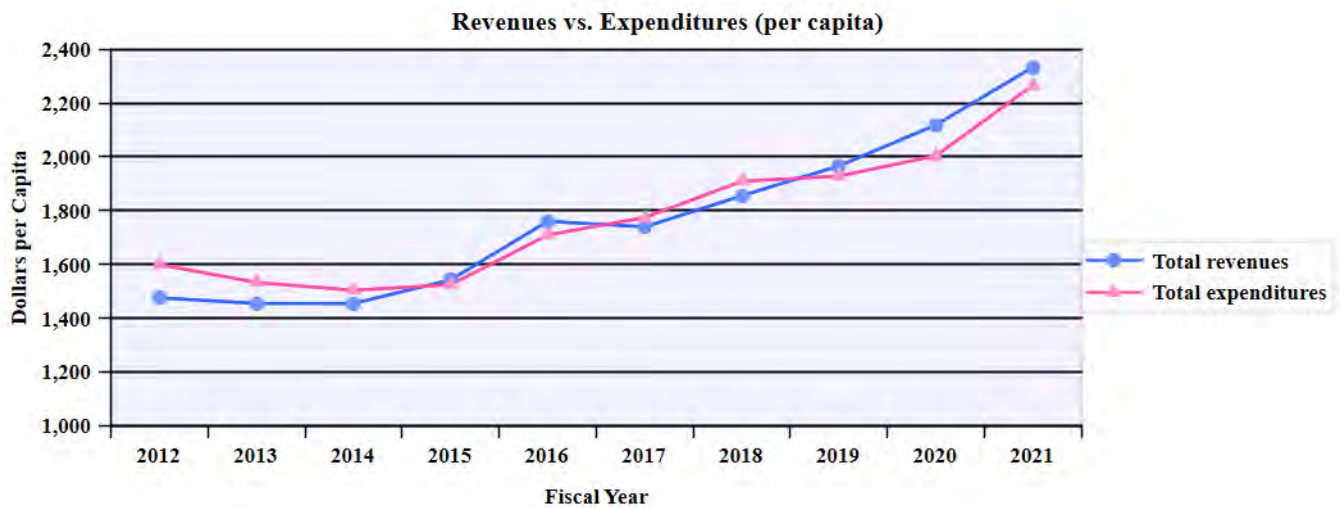
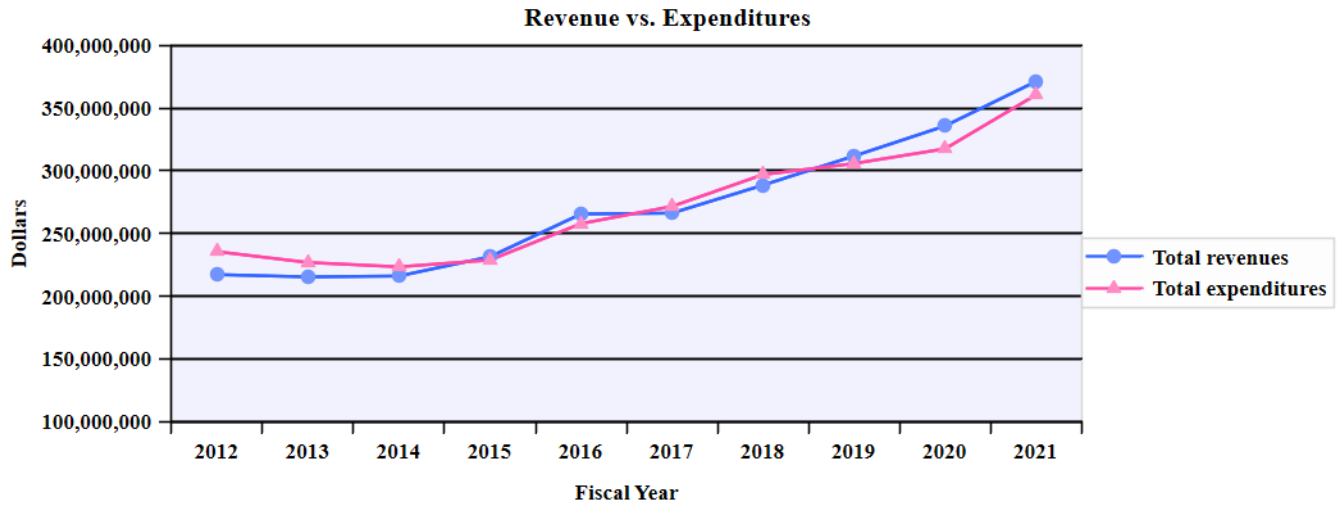
(Unaudited)

Fiscal Year				
2017	2018	2019	2020	2021
\$ 176,526,313	\$ 190,844,002	\$ 201,094,942	\$ 218,615,430	\$ 230,675,039
16,700,257	18,859,211	23,061,318	20,379,331	23,782,956
38,601,668	42,394,731	37,501,958	55,208,606	76,825,330
22,631,331	23,373,480	27,080,987	26,239,453	28,093,822
1,858,250	1,968,848	1,954,037	1,842,571	2,000,336
1,625,710	3,052,116	5,937,140	4,605,218	946,398
587,128	1,824,125	7,234,797	1,057,586	852,939
7,647,736	6,201,848	7,869,702	7,791,479	8,081,534
266,178,393	288,518,361	311,734,881	335,739,674	371,258,354
66,940,228	67,542,558	63,364,085	65,420,054	68,400,886
114,006,200	119,915,758	127,294,502	137,362,518	152,794,447
11,585,656	10,659,263	15,420,796	8,481,826	14,655,512
16,752,567	13,878,569	13,904,016	14,420,850	15,024,851
3,212,106	3,277,611	3,994,326	5,314,723	4,227,196
6,599,584	7,776,731	7,689,971	6,607,913	6,798,599
14,204,491	15,416,463	16,906,201	16,311,583	17,815,346
30,096,103	50,049,349	44,228,195	49,182,342	64,586,074
6,610,235	6,357,929	9,987,385	10,079,893	12,194,673
1,447,430	1,819,083	2,611,891	4,263,646	4,042,197
78,600	218,159	343,405	58,436	23,070
271,533,200	296,911,473	305,744,773	317,503,784	360,562,851
(5,354,807)	(8,393,112)	5,990,108	18,235,890	10,695,503
-	-	-	-	-
4,967,000	26,175,000	50,589,064	6,935,079	5,012,851
-	-	-	-	-
-	-	-	-	-
12,497,435	12,817,801	11,047,017	14,015,604	41,802,487
(12,876,874)	(8,526,378)	(11,362,955)	(16,746,377)	(42,694,010)
4,587,561	30,466,423	50,273,126	4,204,306	4,121,328
\$ (767,246)	\$ 22,073,311	\$ 56,263,234	\$ 22,440,196	\$ 14,816,831
3.34 %	3.31 %	4.82 %	5.35 %	5.49 %
3.00 %	2.83 %	4.23 %	4.54 %	4.51 %
11.08 %	16.86 %	14.47 %	15.49 %	17.91 %

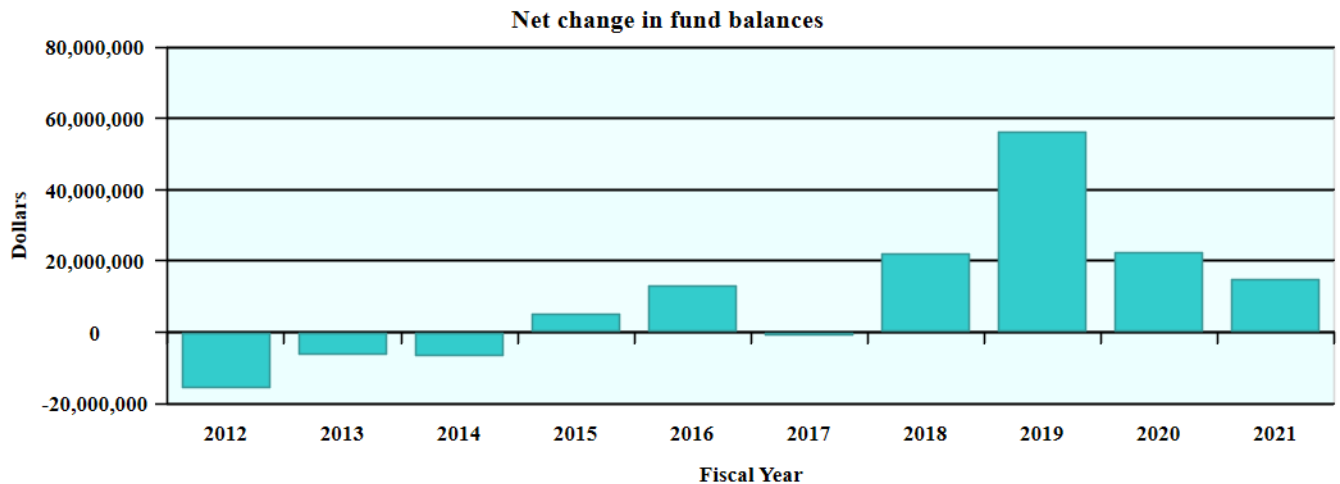
Martin County, FL

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
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
2021	23,081,626,867	3,693,456,192	1,968,098,900	2,125,333,432	30,868,515,391

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
\$ 2,379,712,569	\$ 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
3,107,181,882	66,662,298	34,042,359,571	10,199,946,852	23,842,412,719	10.3651

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

(Unaudited)

	Fiscal Year Taxes Are Payable			
	2012	2013	2014	2015
County Direct Rates				
General- Countywide				
General Fund	5.7336	5.6956	5.8300	5.9651
Bonds - FIT	0.0368	0.0373	0.0368	-
Municipal Service Taxing Units ⁹	0.9636	0.9755	1.0240	1.0486
Total County Direct Rate	6.7340	6.7084	6.8908	7.0137
Overlapping Rates - Countywide				
School Board	6.6040	6.9040	7.2780	7.1380
Children's Services	0.3693	0.3693	0.3693	0.3618
South Florida Water Management	0.4363	0.4289	0.4110	0.3842
Florida Inland Navigation District	0.0345	0.0345	0.0345	0.0345
Overlapping Rates - Non-Countywide				
City of Stuart	4.6674	4.9041	4.8020	4.8540
Town of Jupiter Island	5.0794	4.7229	4.7047	4.5813
Town of Ocean Breeze Park	4.6799	4.7910	5.0619	4.9472
Town of Sewall's Point	2.2896	2.2896	2.3500	2.6000
Village of Indiantown	-	-	-	-
Drainage Districts ¹⁰	5.10-68.75/ac	5.10-68.75/ac	5.10-68.29/ac	5.82-68.27/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 2021 is \$1,169,030. This is 0.52% of the total original levy of \$225,967,221.

(Unaudited)

Fiscal Year Taxes Are Payable					
2016	2017	2018	2019	2020	2021
6.1264	6.2407	6.3887	6.5971	6.6928	6.7618
-	-	-	-	-	-
1.0660	3.1737	3.2339	3.4247	3.6646	3.6033
7.1924	9.4144	9.6226	10.0218	10.3574	10.3651
7.0980	6.8810	6.5520	6.8620	6.6480	6.4470
0.3618	0.3618	0.3618	0.3618	0.3618	0.3618
0.3551	0.3307	0.3100	0.2936	0.2795	0.2675
0.0320	0.0320	0.0320	0.0320	0.0320	0.0320
4.8327	4.8224	4.7572	4.9962	5.3202	5.2136
4.4270	4.3087	4.1724	4.1027	4.0391	4.0214
3.9814	5.2177	5.4750	6.3826	4.8008	3.0800
2.8700	2.8700	2.8700	2.8700	2.8700	2.8700
-	-	-	4.2623	1.6304	1.6304

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 20.45-156.39/ac

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

(Unaudited)

Taxpayer	2021			2012		
	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	\$ 2,293,039,261	1	9.62%	\$ 1,541,269,439	1	8.99 %
Florida Southeast Connection	80,091,924	2	0.34%	-	-	- %
Publix Super Markets, Inc.	68,819,464	3	0.29%	-	-	- %
Treasure Coast-JCP Assoc. LTD	65,026,085	4	0.27%	75,843,258	3	0.44 %
Jeffrey H. Sands	61,699,368	5	0.26%	36,349,780	6	0.21 %
Florida Gas Transmission	49,111,089	6	0.21%	-	-	- %
Jupiter Island Irrevocable Homestead Trust	46,052,600	7	0.19%	-	-	- %
Florida East Coast Railway LLC	42,620,686	8	0.18%	-	-	- %
PRCP-Stuart LLC	38,760,000	9	0.16%	-	-	- %
Arium Jensen Beach LLC	33,400,050	10	0.14%	-	-	- %
Indiantown Congregation, LP	-	-	-%	267,098,036	2	1.56 %
Gulfstream Natural Gas	-	-	-%	45,892,686	4	0.27 %
Christopher J. Hubman (TR)	-	-	-%	42,887,335	5	0.25 %
Bellsouth Telecommunication, Inc.	-	-	-%	31,483,991	7	0.18 %
Louis Dreyfus Citrus Inc.	-	-	-%	30,664,728	8	0.18 %
Edward H. Hamm (TR)	-	-	-%	24,976,282	9	0.15 %
Sandhill Cove Properties, Inc.	-	-	-%	27,882,580	10	0.16 %
Total	\$ 2,778,620,527		11.66 %	\$ 2,124,348,115		12.39 %

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>
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	(5,486,606)	144,136,281
2016	161,232,665	(6,088,449)	155,144,216
2017	169,678,386	(6,279,049)	163,399,337
2018	184,363,027	(6,709,264)	177,653,763
2019	195,546,575	(7,205,518)	188,341,057
2020	214,409,134	(7,912,566)	206,496,568
2021	225,967,221	(8,489,183)	217,478,038

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. Subsequent collections for 2020 exceeded the adjusted levy amount due to increased interest collected for 2020 taxes.

(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
\$ 132,687,415	\$ 99.91	\$ 65,989	\$ 132,753,404	99.96 %
131,237,670	99.89	117,622	131,355,292	99.98 %
137,347,038	99.88	126,369	137,473,407	99.98 %
143,978,561	99.89	127,111	144,105,672	99.98 %
155,035,798	99.93	66,228	155,102,026	99.97 %
163,241,656	99.90	87,765	163,329,421	99.96 %
177,381,468	99.85	56,622	177,438,090	99.88 %
188,100,633	99.87	117,722	188,218,355	99.93 %
206,362,171	99.93	193,064	206,555,235	100.03 %
217,371,249	99.95	-	217,371,249	99.95 %

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
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	-	-
2021	-	85,268,191	-	28,487,566	-	-

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 2021.

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
\$ 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	0.98 %	815
70,885,012	1,155,221	157,006,532	1.16 %	1,009
66,144,686	1,003,317	192,206,443	1.40 %	1,212
61,310,608	847,235	183,575,246	1.27 %	1,159
56,364,644	3,664,387	173,784,788	-	1,093

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

(Unaudited)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Net General Bonded Debt</u>	<u>Percentage of Actual Taxable Value of Property¹⁴</u>	<u>Per Capita¹⁵</u>
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	-	- %	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-

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, 2021

(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	\$ 7,611,848	100%	\$ 7,611,848
General Obligation Bonds	4,965,000	100%	4,965,000
Town of Jupiter Island			
General Obligation Notes Payable	5,228,655	100%	5,228,655
Martin County School Board			
Bonds Payable	2,807,000	100%	2,807,000
Certificates of Participation	22,135,000	100%	22,135,000
Capital Lease	490,692	100%	490,692
South Florida Water Management District			
Certificates of Participation	320,575,000	2.14%	6,860,305
Subtotal, overlapping debt			50,098,500
Martin County Direct Debt			<u>113,755,757</u>
Total direct and overlapping debt			<u><u>\$ 163,854,257</u></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	
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
2021	7,879,538	2,284,000	294,880	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)

	2021	2020	2019	2018	2017
<i>PRIMARY DEBT SERVICE COVERAGE</i>					
Operating revenues	\$ 39,209,570	\$ 37,044,677	\$ 36,021,167	\$ 34,000,937	\$ 34,466,916
General and administrative expenses (a)	(18,030,661)	(21,166,024)	(16,299,794)	(17,745,445)	(18,297,114)
Non-operating income (b)	2,837,646	1,474,821	3,090,891	1,933,796	623,230
Special assessment fees (c)	1,807,404	1,373,096	1,161,238	1,187,735	1,267,559
Net revenues available for debt service	25,823,959	18,726,570	23,973,502	19,377,023	18,060,591
Connection fees (d)	2,671,637	4,724,950	2,503,745	2,287,605	1,899,239
Net revenues & connection fees	28,495,596	23,451,520	26,477,247	21,664,628	19,959,830
Debt service requirements (e)	\$ 6,815,469	\$ 6,817,937	\$ 6,817,333	\$ 6,816,309	\$ 6,236,362
Actual coverage:					
Excluding connection fees	3.79	2.75	3.52	2.84	2.90
Including connection fees	4.18	3.44	3.88	3.18	3.20
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	\$ 25,823,959	\$ 18,726,570	\$ 23,973,502	\$ 19,377,023	\$ 18,060,592
Less: revenue required for primary debt service coverage (f)	7,497,016	7,499,730	7,499,066	7,497,940	6,859,998
Less indirect costs	1,440,585	1,440,585	1,454,462	1,454,462	1,554,623
Adjusted net revenues	16,886,358	9,786,255	15,019,974	10,424,621	9,645,971
Debt service requirements (g)	\$ 1,018,629	\$ 969,566	\$ 954,500	\$ 954,499	\$ 798,090
Actual coverage	16.58	10.09	15.74	10.92	12.09
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)

	2016	2015	2014	2013	2012
\$	32,828,095	\$ 32,294,920	\$ 31,260,723	\$ 29,563,838	\$ 29,549,044
	(15,698,777)	(15,447,353)	(14,788,486)	(14,694,424)	(14,327,780)
	504,729	729,531	691,429	521,661	673,537
	<u>1,220,289</u>	<u>1,219,968</u>	<u>643,087</u>	<u>733,151</u>	<u>604,700</u>
	18,854,336	18,797,066	17,806,753	16,124,226	16,499,501
	<u>1,363,074</u>	<u>1,353,237</u>	<u>946,339</u>	<u>994,352</u>	<u>996,280</u>
	20,217,410	20,150,303	18,753,092	17,118,578	17,495,781
\$	6,825,909	\$ 6,823,649	\$ 6,831,083	\$ 6,813,507	\$ 7,022,218
	2.76	2.76	2.61	2.37	2.35
	2.96	2.95	2.75	2.51	2.49
	1.10	1.10	1.10	1.10	1.10
	1.20	1.20	1.20	1.20	1.20
\$	18,854,336	\$ 18,797,066	\$ 17,806,753	\$ 16,124,226	\$ 16,499,501
	7,508,500	7,506,014	7,514,190	7,494,858	7,724,440
	<u>1,554,623</u>	<u>1,460,459</u>	<u>1,460,459</u>	<u>1,483,726</u>	<u>1,444,780</u>
	9,791,213	9,830,593	8,832,104	7,145,642	7,330,281
\$	722,157	\$ 722,157	\$ 455,946	\$ 182,439	\$ 180,724
	13.56	13.56	19.37	39.17	40.56
	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		
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	158,431	14,455,817	89,185	4.2	53.2
2021	159,053 ¹⁹	N/A	N/A	3.4	53.2 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 2018-2021 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 2020; data is not available for 2021.

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

(Unaudited)

Employer	2021			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Cleveland Clinic, formerly known as Martin Memorial Health Systems	3,189	1	4.13 %	2,783	1	4.41 %
Martin County School District	2,499	2	3.23 %	2,590	2	4.11 %
Martin County Government	1,813	3	2.35 %	1,565	3	2.48 %
STS Holdings	1,639	4	2.12 %	-		- %
Publix Supermarkets	1,253	5	1.62 %	-		- %
NuCo2	1,075	6	1.39 %	-		- %
Seacoast National Bank	1,000	7	1.29 %	294	8	0.47 %
GL Staffing Services	1,000	8	1.29 %	-		- %
Visiting Nurses Association of Florida	964	9	1.25 %	-		- %
State of Florida	612	10	0.79 %	580	4	0.92 %
Triumph Group - Vought Aircraft Division	-		- %	408	5	0.65 %
TurboCombustor Technologies Inc	-		- %	396	6	0.63 %
Liberator Medical Holdings Inc	-		- %	340	7	0.54 %
Louis Dreyfus Commodities	-		-	250	9	0.40 %
Armellini Express Lines	-		-	223	10	0.35 %
Total	15,044		19.46 %	9,429		14.96 %

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 2021 and 2012 are 77,289 and 63,073, 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)

<u>Function/ Program</u>	<u>Full-time Equivalent Employees as of September 30²¹</u>			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government	326.40	340.70	335.66	362.27
Public safety				
Ambulance and fire rescue services	292.00	290.00	292.00	279.00
Police protection	265.00	252.00	282.00	265.00
Corrections	129.00	130.00	120.00	122.00
Other	235.00	239.00	271.00	276.00
Physical environment				
Solid waste	19.70	19.40	18.40	20.70
Water sewer	88.90	90.20	94.20	91.90
Other	30.00	31.00	29.00	26.80
Transportation				
Airport	6.00	5.00	5.00	6.00
Road and street	69.00	67.60	67.00	70.00
Economic environment	8.25	10.25	7.90	7.55
Human services	8.75	8.75	8.95	8.60
Culture and recreation				
Libraries	38.73	38.73	44.73	45.73
Parks and recreation	48.75	52.15	58.40	73.00
Total	1,565.48	1,574.78	1,634.24	1,654.55

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					
2016	2017	2018	2019	2020	2021
344.15	361.97	369.30	387.55	386.70	381.21
288.00	284.83	278.60	323.00	326.15	328.15
263.00	266.00	267.00	276.00	282.00	283.00
117.00	136.00	136.00	135.00	135.00	152.00
292.00	255.17	272.75	276.00	278.85	257.85
19.60	18.40	21.40	24.40	23.40	27.40
91.15	94.35	95.35	97.35	98.35	102.35
27.70	29.10	27.70	29.80	28.40	27.20
7.00	6.00	6.00	7.00	7.00	8.00
70.50	78.75	84.41	85.06	79.86	86.76
9.55	9.55	10.30	11.30	12.30	11.85
11.75	12.35	13.75	15.75	17.35	16.35
45.00	48.00	47.00	46.00	50.00	50.00
67.00	72.00	78.00	78.00	77.00	81.00
1,653.40	1,672.47	1,707.56	1,792.21	1,802.36	1,813.12

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

(Unaudited)

Function/ Program	Fiscal Year			
	2012	2013	2014	2015
Public Safety				
Fire Rescue				
Number of calls answered	16,423	17,390	18,241	19,630
Police Protection				
Number of calls answered	312,171	313,080	312,997	314,425
Number of citations	11,191	10,673	10,324	12,537
Number of law violations	14,411	13,511	12,682	13,811
Number of arrests	7,253	7,064	6,560	6,257
Physical Environment				
Water quality/Stormwater				
Basin acres treated	10,146	10,146	10,146	12,200
Treated run-off (in acre-feet)	324.8	324.8	324.8	365.0
Treated run-off (in million gallons)	107.3	107.3	107.3	119.0
Water				
New connections	3,367	518	549	442
Average daily consumption (million gallons per day)	9.296	8.833	9.342	9.518
Sewer				
Average daily sewage treatment (million gallons per day)	4.110	4.162	4.147	4.148
Solid Waste				
Waste disposal (in tons) ¹	130,014	161,515	167,137	187,396
Recycling materials (in tons) ¹	63,936	65,596	72,057	81,253
Transportation				
Engineering				
Linear miles of paved roadway maintained	507.01	510.64	513.66	514.59
Linear miles of unpaved roadway maintained	16.99	14.67	14.67	14.10
Number of street lights maintained	4,738	4,979	5,191	5,438
Number of traffic signals maintained	188	188	193	199
Number of bridges maintained	50	51	51	51
Lineal feet sidewalks repaired/replaced	9,122	10,105	10,526	8,088
Human Services (in numbers of residents)				
Prescription assistance	110	95	93	12
Indigent medical assistance - hospitalization/physician services	417	414	387	453
Veterans Services-Client Contact	-	-	-	-
Clients served through HUD grants	-	-	-	-
Speciality Court client case managed	-	-	-	-
Culture and Recreation				
Libraries				
Library items borrowed	1,260,038	1,220,087	1,045,482	970,947
Library visits	945,240	923,672	841,697	786,970
Program attendance	66,833	67,525	61,483	80,287
Parks				
Number of programs offered	139	153	155	160
Number of participants	286,901	365,335	407,517	425,100

Sources: Various County departments

¹ Solid Waste values prior to 2017 reflect only major waste disposal. Beginning with 2017, values for Solid Waste collections include all disposals received from residents. The same is applicable to Recycling values.

(Unaudited)

Fiscal Year					
2016	2017	2018	2019	2020	2021
21,392	24,015	22,694	23,706	24,526	26,630
303,509	278,738	296,033	288,557	294,948	270,100
16,143	8,810	5,861	6,892	4,968	4,975
15,559	10,509	10,056	9,325	6,544	6,147
6,019	6,558	6,338	5,679	4,287	3,924
17,709	17,997	18,225	18,225	18,610	18,610
390.3	442.0	472.5	472.5	509.6	509.6
127.2	144.0	155.9	155.9	168.0	168.0
476	300	606	691	594	63
9.684	9.465	10.163	10.186	9.442	10.910
4.286	5.029	4.295	4.117	5.027	4.340
204,091	207,532	232,266	301,319	306,450	335,718
89,004	89,241	105,230	98,634	101,294	105,752
514.68	529.00	498.75	499.96	500.47	501.23
14.10	14.10	15.19	14.16	14.00	14.00
5,568	5,571	5,531	5,544	5,109	5,285
197	203	202	212	209	232
52	53	53	53	53	59
8,174	11,050	12,035	12,082	5,943	5,426
13	39	72	24	5	3
434	457	436	347	545	520
-	-	-	-	18,153	12,586
-	-	-	-	31	33
-	-	-	-	110	102
949,737	904,316	857,851	810,360	557,550	645,918
702,303	688,042	667,187	640,868	341,999	329,496
80,212	82,113	78,599	77,313	67,051	25,498
165	169	269	261	178	279
437,800	450,900	528,762	447,712	296,763	289,583

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

(Unaudited)

Function/ Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Fire Rescue										
Number of fire engines	16	16	16	16	16	17	17	17	17	16
Number of ambulances	18	18	18	18	18	20	20	20	20	23
Number of stations	14	14	14	14	14	13	12	12	12	12
Police Protection										
Number of stations/field offices	6	8	9	9	9	8	8	8	8	8
Physical Environment										
Water quality/Stormwater										
Stormwater treatment area (in acres)	175.74	178.74	178.74	203.14	240.86	251.00	276.53	276.53	284.77	285.00
Water										
Water mains (in miles)	519	526	543	546	546	557	568	582	586	592
Fire hydrants	3,389	3,461	3,514	3,555	3,591	3,604	3,759	3,885	3,931	3,974
Sewer										
Pump stations	387	390	391	391	391	391	418	476	552	367
Sewer Grinder Pump Stations ¹	-	-	-	-	-	-	-	-	-	506
Reuse water mains	39	39	39	39	39	39	39	40	41	40
Transportation										
Engineering										
Linear miles of paved roadway	507.01	510.64	513.66	514.59	514.68	529.00	498.75	499.96	500.47	501.23
Linear miles of unpaved roadway	16.99	14.67	14.67	14.10	14.10	14.00	15.19	14.16	14.00	14.00
Number of street lights	421	503	610	698	709	725	745	752	809	951
Number of traffic signals	99	99	105	106	106	110	108	118	120	115
Number of bridges	50	51	51	51	52	53	53	53	59	59
Culture and Recreation										
Library										
Library collection	363,559	335,253	382,683	326,392	287,400	299,069	291,789	313,457	324,566	353,394
Number of libraries	7	7	7	7	7	6	6	6	6	6
Parks										
Number of parks ¹	73	73	74	76	76	76	76	75	72	73
Number of acres managed	1,496	1,496	1,522	1,784	1,784	1,784	1,776	1,776	1,719	1,730
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	33	37	39	39	36	36	36	33	33
Number of football/soccer fields	22	23	23	25	25	30	30	30	28	28
Number of community centers	13	13	13	12	12	12	12	12	10	10
Number of boat ramps	25	25	26	26	26	26	26	26	26	26
Linear footage of publicly owned beaches	16,363	16,363	16,363	14,802	14,802	14,802	14,802	14,802	14,802	14,802

Sources: Various County departments

¹ Changes in the Parks department for 2020 were primarily due to transfers to Indiantown and Timers Powers community center was demolished. Starting in 2021 Utilities separated the type of pump stations from grinder stations.

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, 2021

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Martin County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2021

Federal Grantor/State Agency	Assistance Listing #/CSFA #	Grant/Contract #	Expenditures		
			County	Subrecipient	Total
FEDERAL AWARDS					
DEPARTMENT OF ECONOMIC OPPORTUNITY					
Community Development Block Grants					
FY18 CDBG Housing Rehabs	14.228	17DB-OL-10-53-01-H 13	\$ 291,585	\$ -	\$ 291,585
Total Department of Economic Opportunity			291,585	-	291,585
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Direct awards					
Home Program					
O-HOME	14.239	M19-DC120234	125,000	-	125,000
Office of Community Planning and Development:					
Shelter Plus Care	14.267	HUD S+C FL0118L4H091811	59,823	-	59,823
Shelter Plus Care	14.267	HUD S+C FL0117L4H091912	64,229	-	64,229
Shelter Plus Care	14.267	HUD S+C FL0118L4H091912	60,335	-	60,335
Shelter Plus Care	14.267	HUD S+C FL0835L4H091900	71,952	-	71,952
Shelter Plus Care	14.267	HUD S+C FL0117L4H092013	17,667	-	17,667
Shelter Plus Care	14.267	HUD S+C FL0835L4H092001	13,724	-	13,724
Total Department of Housing and Urban Development			412,730	-	412,730
U.S. FISH AND WILDLIFE SERVICE					
Direct award					
O-Artificial Reef Project	15.605	FWC-20014	60,010	-	60,010
Clean Vessel Act	15.616	MV387	57,395	-	57,395
Clean Vessel Act	15.616	MV388	152,266	-	152,266
Total U.S. Fish and Wildlife			269,671	-	269,671
U.S. DEPARTMENT OF JUSTICE					
Direct award					
Office of Justice Programs, Bureau of Justice Assistance:					
SCAAP	16.606	O-BJA-2020-62002	85,577	-	85,577
USDOJ Adult Drug Court Program	16.585	2017-DC-BX-0014	40,419	-	40,419
USDOJ Adult Drug Court Program #2	16.585	2020-DC-BX-0141	115,494	-	115,494
Edward Byrne Memorial Justice Assistance Grant	16.738	2020-JAG-MART-1-Y5-126	14,309	-	14,309
Edward Byrne Memorial Justice Assistance Grant	16.738	2020-JAGC-MART-2-5R-041	31,013	-	31,013
Passed through the Office of Attorney General,					
Office of Justice Programs, Office of Victims of Crime:					
Victims of Crime Act Grant (VOCA)	16.575	O-00758	84,169	-	84,169
Total Department of Justice			370,981	-	370,981
U.S. DEPARTMENT OF TRANSPORTATION					
Direct Awards					
Federal Aviation Administration:					
FAA Airport Master Plan	20.106	AIP-3-12-0076-022-2019	70,470	-	70,470
FAA CARES ACT	20.106	AIP-3-12-0076-023-2020	157,000	-	157,000
FAA Wildlife Hazard Fence/CBP Apron	20.106	AIP-3-12-0076-024-2020	929,804	-	929,804
FAA Coronavirus Response Grant	20.106	AIP-3-12-0076-025-2021	47,555	-	47,555
FAA Taxiway A/Wildlife Hazard Fence	20.106	AIP-3-12-0076-026-2021	52,705	-	52,705
MPO Section 5305 FY16-FY20	20.505	G1482	14,027	-	14,027
MPO Section 5305 FY19-FY20	20.505	G1V44	9,783	-	9,783
Section 5311 FDOT JPA - FY19	20.509	G1A03	66,817	-	66,817
Section 5311 FDOT JPA - FY20	20.509	G1L25	56,577	-	56,577
Section 5311 CARES ACT Non-Urbanized	20.509	G1L72	11,191	-	11,191
O-GIS Data Support	20.615	S18-21-05-09	29,700	-	29,700
Federal Transit Administration:					
Highway Planning and Construction Cluster					
Savannah Road Resurfacing LAP	20.205	FPN-438342-1-58-01	134,362	-	134,362
C-LAP	20.205	FM#436425-1-58-01	1,411,989	-	1,411,989
C-LAP	20.205	438343-1-58/68-01	2,519,173	-	2,519,173
C-Indian St Resurfacing LAP	20.205	438347-1-58/68-01	249,692	-	249,692
C-Dixie HWY/Florida St Sidewalk	20.205	441567-1-58-01	162,963	-	162,963
MPO FY21 & FY22 FHWA Funds	20.205	439328-3-14-01	480,162	-	480,162
Total Highway Planning and Construction Cluster			4,958,341	-	4,958,341
Federal Transit Cluster					
SECTION 5307 FY15	20.507	FL-2016-038-00	225,479	-	225,479
SECTION 5307 - FY16	20.507	FL-2017-076-00	204,987	-	204,987
SECTION 5307 - FY17	20.507	FL-2018-085-00	1,433	-	1,433
SECTION 5307 - FY18	20.507	FL-2019-043-00	312,712	-	312,712
SECTION 5307 - CARES Act Urbanized Area	20.507	FL-2020-090-00	552,802	-	552,802
Section 5339 FY18 BUS	20.526	FL-2019-042-01-00	125,165	-	125,165
Total Federal Transit Cluster			1,422,578	-	1,422,578
Total Department of Transportation			7,826,548	-	7,826,548

Martin County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2021

Federal Grantor/State Agency	Assistance Listing #/ CSFA #	Grant/Contract #	Expenditures		
			County	Subrecipient	Total
U.S. DEPARTMENT OF TREASURY					
Pass through Florida Housing Finance Corporation SHIP Coronavirus Relief	21.019	076-2020	\$ 352,056	\$ -	\$ 352,056
Direct Awards					
Coronavirus Relief - CARES ACT	21.019	Y2281	23,070,818	-	23,070,818
			23,422,874	-	23,422,874
Total Department of Treasury			23,422,874	-	23,422,874
ENVIRONMENTAL PROTECTION AGENCY					
Direct Awards					
Willoughby Creek Stormwater Quality	66.460	NS035	10,000	-	10,000
FDEP OPC Ripple Stormwater Retrofit	66.460	NF062	429,000	-	429,000
Manatee Pocket Water Quality	66.460	NF079	142,177	-	142,177
Total Environmental Protection Agency			581,177	-	581,177
U.S. ELECTION ASSISTANCE COMMISSION (EAC)					
Passed through the Florida Department of State Division of Elections:					
Help America Vote Act (HAVA) FY19	90.401	MOA#2089-2019-0003-MRT	4,959	-	4,959
HAVA CARES FY2020 FED ELECTIONS	90.404	MOA#2020-001-MRT	26,454	-	26,454
Total U.S. Election Assistance Commission			31,413	-	31,413
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	89,403	-	89,403
Injury Prevention & Control Research & State and Community Based Program					
DOH Data to Action OPIOID	93.136	B6C02D	1,371	-	1,371
DOH Data to Action OPIOID - Year 2	93.136	B6C02D	61,207	-	61,207
CDC National Center for Chronic Disease Prevention & Health CDC Drug Free Communities	93.276	1 NH28CE003044-01-00	86,302	-	86,302
Public Health Emergency Response - Public Crisis Response Hurricane Relief Funding	93.354	6NU90TP921942-01-06	10,837	-	10,837
Community Services Block Grant					
CSBG FY17	93.569	17SB-OD-12-00-01-023	68,748	-	68,748
CSBG FY21	93.569	17SB-OD-12-00-01-123	99,597	-	99,597
Total Department of Health and Human Services			417,465	-	417,465
EXECUTIVE OFFICE OF THE PRESIDENT					
Executive Office of the President High Intensity Drug Trafficking Areas Program	95.001	G20MI0014A& G21	211,717	-	211,717
Total Executive Office of the President			211,717	-	211,717
U.S. DEPARTMENT OF HOMELAND SECURITY					
Direct award					
Disaster Grants - Public Assistance Hurricane Dorian FY21	97.036		2,043,787	-	2,043,787
Disaster Grants - Public Assistance - Hurricane IRMA FY21	97.036		314,442	-	314,442
Disaster Grants - Public Assistance - Hurricane ISASIS FY21	97.036		3,644	-	3,644
Covid-19 Vaccination Dist and AD	97.036		237,539	-	237,539
Emergency Management Preparedness (EMPG)	97.042	G0073	61,986	-	61,986
Emergency Management Preparedness (EMPG)	97.042	G0303	5,952	-	5,952
Emergency Management Preparedness (EMPG)					
Supplemental FY21 COVID-19	97.042	G0082	8,462	-	8,462
EMPG-ARPA Amer Rescue Plan Act	97.042	G0312	2,059	-	2,059
Hazard Mitigation Grant					
FEMA DEM Hobe HeightsS H0601	97.039	H0601	553	-	553
FEMA DEM Hobe HeightsS H0621	97.039	H0621	15,600	-	15,600
Passed through the Florida Division of Emergency Management Operation Stonegarden	97.067	2011-SS-00067	50,149	-	50,149
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2017-FH-00410	706,166	-	706,166
Total Department of Homeland Security			3,450,339	-	3,450,339
Total Expenditures of Federal Awards			\$ 37,286,500	\$ -	\$ 37,286,500

Martin County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2021

Federal Grantor/State Agency	Assistance Listing #/ CSFA #	Grant/Contract #	Expenditures		
			County	Subrecipient	Total
STATE FINANCIAL ASSISTANCE					
FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS					
Passed through Division of Emergency Management:					
FY21 Emergency Preparedness	31.063	A0092	\$ 73,846	\$ -	\$ 73,846
FY21 Emergency Preparedness	31.063	A0211	28,902	-	28,902
Total Florida Department of Community Affairs			102,748	-	102,748
FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION					
Direct Programs:					
Bathtub/Sailfish Point Beach	37.003	21MI2	666,351	-	666,351
St Lucie IMP Implementation	37.003	21MI3	2,250,471	-	2,250,471
MC Shore Protection Plan	37.003	21MI1	6,242	-	6,242
St Lucie Inlet Mgmt. Plan	37.003	19MI2	8,073,640	-	8,073,640
St Lucie Inlet Mgmt. Plan	37.003	20MI3	185,627	-	185,627
			11,182,331	-	11,182,331
Culpepper Ranch PHII	37.039	LPA0073	270,000	-	270,000
Golden Gate Sewer	37.039	LPQ0005	2,000,000	-	2,000,000
			2,270,000	-	2,270,000
Small Community Wastewater Facility					
Sand and Grit Removal	37.075	SG049	18,891	-	18,891
			18,891	-	18,891
Total Florida Department of Environmental Protection			13,471,222	-	13,471,222
FLORIDA HOUSING FINANCE CORPORATION					
Passed through State Housing Initiative Program:					
State Housing Initiative Program (SHIP)	40.901	N/A	411,091	-	411,091
Total Florida Department of Community Affairs - Housing Finance			411,091	-	411,091
DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES					
Mosquito Control Work Program	42.003	FDACS013082	50,688	-	50,688
Total Department of Agriculture & Consumer Services			50,688	-	50,688
FLORIDA DEPARTMENT OF STATE, DIVISION OF LIBRARY AND INFORMATION					
Direct Programs:					
State Aid to Libraries	45.030	18-ST-30	7,235	-	7,235
State Aid to Libraries	45.030	19-ST-30	27,728	-	27,728
State Aid to Libraries	45.030	20-ST-30	33,842	-	33,842
Total Florida Department of State, Division of Library and Information			68,805	-	68,805

Martin County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2021

Federal Grantor/State Agency	Assistance Listing #/ CSFA #	Grant/Contract #	Expenditures		
			County	Subrecipient	Total
FLORIDA DEPARTMENT OF TRANSPORTATION					
Transportation Disadvantaged Planning FY19-20	55.002	G1N70	\$ 17,472	\$ -	\$ 17,472
Transportation Disadvantaged Planning FY20-21	55.002	G1Y54	862	-	862
			18,334	-	18,334
Direct Programs:					
FDOT Airport Master Plan	55.004	433159-1-94-01	3,915	-	3,915
FDOT Rehab. Non-AIP Eligible Taxiways	55.004	441610-1-94-01	4,113	-	4,113
FDOT Airport Operations Center Phase 2	55.004	443872-1-94-01	1,097,933	-	1,097,933
FDOT Airport Operations Center Phase 3	55.004	443872-1-94-01	53,783	-	53,783
FDOT Const. Stormwater Improvement	55.004	445951-1-94-01	53,866	-	53,866
			1,213,610	-	1,213,610
Indian Street Resurfacing	55.009	FM#438071-1-54-01	19,291	-	19,291
Murphy Rd (Mapp to SLC) SCOP	55.009	FM#436378-1-54-01	606,322	-	606,322
Dixie (Jefferson to Indian) SCOP	55.009	FM#440242-1-54-01	147,115	-	147,115
			772,728	-	772,728
FDOT Sun Trail Network	55.038	G1W11	12,247	-	12,247
Public Transit Block Grant FY19	55.010	G1A04	40,244	-	40,244
Public Transit Block Grant FY19	55.010	G1L29	299,734	-	299,734
			339,978	-	339,978
MC Treasure Coast Express - Transit Corridor	55.013	G1H93	109,692	-	109,692
MC Treasure Coast Express - Transit Corridor	55.013	G1S58	303,653	-	303,653
			413,345	-	413,345
Total Florida Department of Transportation			2,770,242	-	2,770,242
FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES					
DCF Substance Abuse Reinvestment Grant	60.115	LHZ89	386,971	-	386,971
Total Department of Children and Families			386,971	-	386,971
FLORIDA DEPARTMENT OF HEALTH, BUREAU OF EMERGENCY MEDICAL					
Direct Programs:					
Emergency Medical Services Trust Fund	64.003	M8050	86,563	-	86,563
Emergency Medical Services Matching Grant	64.003	G9043	14,217	-	14,217
Total Florida Department of Health, Bureau of Emergency Medical			100,780	-	100,780
STATE OF FLORIDA DEPARTMENT OF HEALTH, COMMUNITY HEALTH DIVISION					
Tobacco Free Florida					
Crisis Response Unit	64.093		19,777	-	19,777
Total Florida Department of Health, Community Health Division			19,777	-	19,777
DEPARTMENT OF MANAGEMENT SERVICES					
E911 - NG911 Hosted System Text-to-911	72.002	S10-17-12-12	136,516	-	136,516
E911 - Telephone Monitors	72.002	S15-20-06-13	3,690	-	3,690
Total Department of Management Services			140,206	-	140,206
FLORIDA FISH AND WILDLIFE CONSERVATION COMMISSION					
Florida Boating Improvement Program					
Manatee Pocket Managed Mooring Field	77.006	19030	7,831	-	7,831
Economic Impact & Valuation - Artificial Reef	77.006	FWC-16143	105,000	-	105,000
Total Florida Fish and Wildlife			112,831	-	112,831
Total Expenditures of State Financial Assistance			\$ 17,635,361	\$ -	\$ 17,635,361

MARTIN COUNTY, FLORIDA

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

Year Ended September 30, 2021

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, 2021. 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, 2021, 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 28, 2022.

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 28, 2022.

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 28, 2022



**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, 2021. 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, 2021.

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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 28, 2022, 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

May 9, 2022, except for our report on the Schedule of
Expenditures of Federal Awards and State Financial Assistance,
for which the date is March 28, 2022

MARTIN COUNTY, FLORIDA
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021

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:

Assistance Listing

Numbers

Name of Federal Programs

20.106	Airport Improvement Program
20.507, 20.526	Federal Transit Cluster
21.019	Coronavirus Relief – CARES Act
97.036	Disaster Grants – Public Assistance

CSFA Numbers

Name of State Projects

37.003	Beach Erosion Control Program

Dollar threshold used to distinguish between

Type A and Type B programs: Federal

\$1,118,595

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, 2021

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.



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, 2021, and have issued our report thereon dated March 28, 2022.

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. No recommendations were 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.

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 had the following recommendation:

MLC 2021-001 Purchasing Cards

Criteria: Purchasing card programs may provide an efficient and cost-effective method for procuring small-dollar, high-volume purchases. These programs should have adequate internal controls that include appropriate training and monitoring of Purchasing Card usage by employees.

Condition: During our audit we noted instances of County employees not following the County's Purchasing Card policy and procedures.

Cause: It appears that inadequate training of County employees on appropriate Purchasing Card usage and ineffective monitoring of Purchasing Card transactions may have caused the condition noted above.

Effect: Certain purchasing card transactions were not in accordance with the County's Purchasing Card policy and procedures.

Perspective: The condition noted above appears to be isolated and not a pervasive issue.

Recommendation: We recommend that the County implement procedures to ensure all employees who are provided Purchasing Cards properly adhere to the County's Purchasing Card policy and procedures.

Management's Response: The County Purchasing Division implemented updates to the p-card program as a result of a separate p-card specific audit performed by a separate audit firm. That specific p-card audit confirmed that violations were isolated and not system-wide. The revised p-card procedures were communicated to all p-card users.

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. The information below has not been subject to auditing procedures, therefore no assurance is given on the provided information.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.544(1)(i)6, *Rules of the Auditor General*, the Martin County Community Redevelopment Agency reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as zero.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as zero.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as zero.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as zero.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as zero.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$12,101,353.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.544(1)(i)6, *Rules of the Auditor General*, the Martin County Health Facilities Authority reported:

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

Honorable Board of County Commissioners
Martin County, Florida

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.544(1)(i)6, *Rules of the Auditor General*, the Martin County Industrial Development Authority reported:

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

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 28, 2022, 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 May 9, 2022



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, 2021. 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, 2021.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
March 28, 2022

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021



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Martin County, Florida
Clerk of the Circuit Court
For the Year Ended September 30, 2021

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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, 2021, 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, 2021, 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, 2021, 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.

Change in Accounting Principle

As described in Note 2 to the financial statements, in the year ended September 30, 2021, the Clerk adopted the provisions of Government Accounting Standards Board Statement ("GASBS") Number 84, Fiduciary Activities. As a result of the implementation of GASBS 84, the Clerk reported a restatement for the change in accounting principle. 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 12, 2022, 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 12, 2022

**Martin County, Florida
Clerk of the Circuit Court
Special-Purpose Balance Sheet
Governmental Funds
September 30, 2021**

	General	Public Records Modernization	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 933,985	\$ 929,056	\$ 1,863,041
Investments	179,667	365,431	545,098
Due from other county agencies	3,817	-	3,817
Due from other governmental agencies	140,999	-	140,999
Inventories	366	-	366
Prepaid items	4,651	263,421	268,072
Total assets	<u>1,263,485</u>	<u>1,557,908</u>	<u>2,821,393</u>
LIABILITIES			
Accounts payable	109,635	5,487	115,122
Accrued wages payable	308,142	4,264	312,406
Due to Board of County Commissioners	125,618	-	125,618
Due to other governmental agencies	49,725	-	49,725
Deposits and other liabilities	540	-	540
Total liabilities	<u>593,660</u>	<u>9,751</u>	<u>603,411</u>
FUND BALANCES			
Nonspendable:			
Inventories	366	-	366
Prepaid items	4,651	263,421	268,072
Restricted for:			
Court operations	420,808	1,284,736	1,705,544
Assigned to:			
Other assigned purposes	244,000	-	244,000
Total fund balances	<u>669,825</u>	<u>1,548,157</u>	<u>2,217,982</u>
Total liabilities and fund balances	<u>\$ 1,263,485</u>	<u>\$ 1,557,908</u>	<u>\$ 2,821,393</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 Balances
Governmental Funds
For the Year Ended September 30, 2021

	General	Public Records Modernization	Total Governmental Funds
REVENUES			
Intergovernmental revenues	\$ 248,731	\$ -	\$ 248,731
Charges for services	3,781,860	637,029	4,418,889
Fines and forfeitures	1,160,530	-	1,160,530
Interest income	5,756	-	5,756
Miscellaneous revenues	43,679	-	43,679
Total revenues	<u>5,240,556</u>	<u>637,029</u>	<u>5,877,585</u>
EXPENDITURES			
Current:			
General government	7,058,589	167,431	7,226,020
Capital outlay	151,716	-	151,716
Total expenditures	<u>7,210,305</u>	<u>167,431</u>	<u>7,377,736</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,969,749)</u>	<u>469,598</u>	<u>(1,500,151)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,223,260	-	2,223,260
Transfers out	(35,737)	-	(35,737)
Total other financing sources (uses)	<u>2,187,523</u>	<u>-</u>	<u>2,187,523</u>
Net change in fund balances	217,774	469,598	687,372
Fund balances - beginning	<u>452,051</u>	<u>1,078,559</u>	<u>1,530,610</u>
Fund balances - ending	<u>\$ 669,825</u>	<u>\$ 1,548,157</u>	<u>\$ 2,217,982</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ 321,682	\$ 236,682	\$ 248,731	\$ 12,049
Charges for services	3,310,550	3,169,540	3,781,860	612,320
Fines and forfeitures	1,321,904	1,157,904	1,160,530	2,626
Interest income	14,518	8,518	5,756	(2,762)
Miscellaneous revenues	71,337	59,687	43,679	(16,008)
Total revenues	5,039,991	4,632,331	5,240,556	608,225
EXPENDITURES				
Current:				
General government	6,413,985	6,836,282	7,058,589	(222,307)
Capital outlay	-	-	151,716	(151,716)
Total expenditures	6,413,985	6,836,282	7,210,305	(374,023)
Deficiency of revenues under expenditures	(1,373,994)	(2,203,951)	(1,969,749)	234,202
OTHER FINANCING SOURCES (USES)				
Transfers in	1,767,243	2,223,260	2,223,260	-
Transfers out	22,070	-	(35,737)	(35,737)
Reserves	(19,309)	(19,309)	-	19,309
Total other financing sources (uses)	1,770,004	2,203,951	2,187,523	(16,428)
Net change in fund balance	396,010	-	217,774	\$ 217,774
Fund balance - beginning	(396,010)	-	452,051	
Fund balance - ending	\$ -	\$ -	\$ 669,825	

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, 2021**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 402,199	\$ 402,199	\$ 637,029	\$ 234,830
EXPENDITURES				
Current:				
General government	395,321	395,321	167,431	227,890
Excess of revenues over expenditures	6,878	6,878	469,598	462,720
OTHER FINANCING USES				
Reserves	(1,077,232)	(1,077,232)	-	1,077,232
Net change in fund balance	(1,070,354)	(1,070,354)	469,598	\$ 1,539,952
Fund balance, beginning	-	1,070,354	1,078,559	
Fund balance, ending	\$ (1,070,354)	\$ -	\$ 1,548,157	

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
Custodial Funds
September 30, 2021

ASSETS

Cash and cash equivalents	\$ 5,007,511
Investments	<u>183,334</u>
Total assets	<u>5,190,845</u>

LIABILITIES

Due to other governmental agencies	<u>697,422</u>

TOTAL NET POSITION

Restricted for

Individuals, organizations, and other governments	<u><u>\$ 4,493,423</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
Special-Purpose Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended September 30, 2021

ADDITIONS:

Fees and charges collected for others	\$ 18,584,748

Total additions	<u>18,584,748</u>

DEDUCTIONS:

Payments to individuals, organizations, and other governments	<u>17,975,692</u>

Total deductions	<u>17,975,692</u>

Change in net position	609,056

Total net position - beginning, as restated	<u>3,884,367</u>

Total net position - ending	<u><u>\$ 4,493,423</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, 2021

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 VSHFLDPDP 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, 2021, 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 JRYHUQPHQs 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, 2021

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 FY21, the County is due \$60,212 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.

Custodial 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 custodial 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. In fiscal year 2021, the Clerk implemented GASB Statement No. 84, *Fiduciary Activities*. See Note 2 for additional information.

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 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,

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2021

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.

Custodial 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 2021 fiscal year was due to the Corporation by June 1, 2020.

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.

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
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2021

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 35, ME 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, 2021.

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 JRYHUQPHQW 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. 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.

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2021

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 \$2,223,260.

N. Transfers out

In accordance with Florida Statutes, all revenues in excess of expenditures for all non-court-related items at September 30, 2021, are due to the Board. All revenues in excess of appropriated budget authority for court related items through September 30, 2021, 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, 2021, were \$35,737.

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 \$268,072). Assigned fund balance is intended to be used for specific purposes and is designated for use by the Clerk. As of September 30, 2021, \$244,000 was reported as assigned fund balance for payments made in fiscal year 2022 for the second phase of the official records digitization project, as well as for other payments that had been delayed due to supply chain shortages. 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 \$1,705,544 as restricted fund balance for court operations.

Note 2 ± GASB 84

In fiscal year 2021, the Clerk implemented GASB Statement No. 84, *Fiduciary Activities*. The Clerk has a prior period adjustment of \$3,884,367, that was previously reported as liabilities and is now classified as Restricted Net Position. The Clerk has also determined that the criteria in paragraph 18 of GASB Statement No. 84 has been met, and the fiduciary activity should be reported in a Custodial fund.

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2021

Note 3 - Cash and Cash Equivalents and Investments

Cash and cash equivalents

Cash and cash equivalents (including fiduciary funds) consist of the following:

Demand deposits	\$	6,864,677
Petty cash		5,875
	\$	<u>6,870,552</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, 2021, was \$6,793,651.

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, 2021, consisted of investments with the State Board of Administration's Investment Pool (the "Florida 35, ME"), 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 & Poor's, with a current rating of AA+Am. The Day to Day Fund is rated by Fitch, with a current rating of AA+Am. At September 30, 2021, the weighted average day to maturity (WAM) was 49 days for the Florida PRIME and 48 days for the Day to Day Fund.

At September 30, 2021, the Clerk's office had an amortized cost basis of \$728,432 in investments, including \$91,356 with the State Board of Administration, \$105,687 with the Florida Local Government Investment Trust's Day to Day Fund, and \$531,389 with QPD Valley National Bank. The net asset value of these investments presented on the special-purpose financial statements was \$728,432.

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2021

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.floridatrusionline.com/reports>.

Note 4 - Long-Term Liabilities

Changes in long-term liabilities for the year ended September 30, 2021, were as follows:

	Beginning 10/01/20	Additions	Reductions	Ending 09/30/21
Compensated absences	\$ 374,627	\$ 318,644	\$ (373,582)	\$ 319,689

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 5 ± Budget Versus Actual Revenue and Expenditures

The General Fund reported a favorable variance of \$608,225 in revenues in relation to budgeted revenues and an unfavorable variance of \$374,023 in operating and capital expenditures in relation to budgeted expenditures. Although the expenditures exceeded their respective budgets, the Clerk had the funds to cover the overages, with the General Fund resulting in a net favorable variance of \$234,202. In addition, the Public Records Modernization Trust Fund reported a favorable variance of \$234,830 in revenue and a favorable variance of \$227,890 in expenditures in relation to budgeted revenues and expenditures, resulting in a net favorable variance of \$462,720 for the fiscal year.

Note 6 ± 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, 2021

An annual comprehensive 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 6%\$s annual financial statements and in the State of Florida's annual comprehensive 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 ERWplans totaled \$497,539 for the fiscal year ended September 30, 2021. 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 DJJUHte net pension liability for both plans will be reported in the financial statements of the County for fiscal year ended September 30, 2021. 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
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2021

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, 2021:

<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%	10.82%
Special Risk	3.00%	25.89%
State Attorney/Public Defender	3.00%	63.73%
County, City, Special District Elected Officers	3.00%	51.42%
Special Risk Administrative Support	3.00%	37.76%
Senior Management	3.00%	29.01%
Deferred Retirement Option Program	N/A	18.34%

*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, 2021, 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

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2021

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, 2021, 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 Annual Comprehensive Financial Report (ACFR).

Note 7 - 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-four 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 eligible for post-retirement

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2021

health care benefits. Expenditures for postretirement health care benefits are recognized as premiums are paid. During the year, expenditures of \$130,343 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 Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021.

Note 8 ± 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 \$1,079,800 during the fiscal year ended September 30, 2021, and are included as expenditures in the accompanying special-purpose financial statements. As of September 30, 2021, there have been no special assessments. Settlements have not exceeded coverage for each of the past three fiscal years.

Note 9 - 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, 2021, 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 12, 2022.

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 12, 2022.

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 12, 2022



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, 2021, and have issued our report thereon dated January 12, 2022.

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 12, 2022, 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 12, 2022



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, 2021. 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, 2021.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
January 12, 2022



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**MARTIN COUNTY, FLORIDA
PROPERTY APPRAISER**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021



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Martin County, Florida
Property Appraiser
For the Year Ended September 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Jenny Fields,
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, 2021, 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 Jenny Fields,
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, 2021, 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, 2021, 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 11, 2022, 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
January 11, 2022

**Martin County, Florida
Property Appraiser
Special-Purpose Balance Sheet
General Fund
September 30, 2021**

ASSETS

Cash and cash equivalents	\$ 91,714

LIABILITIES

Accounts payable	8,567
Accrued wages payable	36,753
Due to Board of County Commissioners	45,117
Due to other governmental agencies	1,277
Total liabilities	91,714

FUND BALANCE

Total fund balance	-

Total liabilities and fund balance	\$ 91,714

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, 2021

REVENUES

Charges for services	\$ 152,654
Interest income	736
Miscellaneous revenues	<u>122</u>
Total revenues	<u><u>153,512</u></u>

EXPENDITURES

Current:	
General government	<u>3,924,124</u>

Deficiency of revenues under expenditures	<u><u>(3,770,612)</u></u>

OTHER FINANCING SOURCES

Transfers in	3,815,729
Transfers out	<u>(45,117)</u>
Total other financing sources	<u><u>3,770,612</u></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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 141,925	\$ 142,241	\$ 152,654	\$ 10,413
Interest income	-	-	736	736
Miscellaneous revenues	-	-	122	122
Total revenues	<u>141,925</u>	<u>142,241</u>	<u>153,512</u>	<u>11,271</u>
EXPENDITURES				
Current:				
General government	<u>3,856,971</u>	<u>3,957,970</u>	<u>3,924,124</u>	<u>33,846</u>
Deficiency of revenues under expenditures	<u>(3,715,046)</u>	<u>(3,815,729)</u>	<u>(3,770,612)</u>	<u>45,117</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	3,715,046	3,815,729	3,815,729	-
Transfer out	<u>-</u>	<u>-</u>	<u>(45,117)</u>	<u>(45,117)</u>
Total other financing sources (uses)	<u>3,715,046</u>	<u>3,815,729</u>	<u>3,770,612</u>	<u>(45,117)</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, 2021

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 VSHFLDO 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 VSHFLDO 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, 2021, 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 WR 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, 2021

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 JRYHUQPHQW 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, 2021

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 \$3,815,729.

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 \$46,394 as of September 30, 2021, of which \$45,117 was transferred out to the Board and \$1,277 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 \$91,314 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, 2021, was \$141,951.

Martin County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2021

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, 2021, were as follows:

	Beginning <u>10/01/2020</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>09/30/2021</u>
Compensated absences	\$ <u>214,438</u>	\$ <u>172,202</u>	\$ <u>(193,988)</u>	\$ <u>192,652</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.

An annual comprehensive 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, 2021

participating in the DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's DFFRnts, 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 annual comprehensive 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 \$281,191 for the fiscal year ended September 30, 2021. 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, 2021. 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, 2021

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, 2021:

<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%	10.82%
Special Risk	3.00%	25.89%
State Attorney/Public Defender	3.00%	63.73%
County, City, Special District Elected Officers	3.00%	51.42%
Special Risk Administrative Support	3.00%	37.76%
Senior Management	3.00%	29.01%
Deferred Retirement Option Program	N/A	18.34%

*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, 2021, 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, 2021, 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, 2021

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 Annual Comprehensive Financial Report (ACFR).

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, four (4) 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 \$19,144 were recognized for postretirement health care.

Martin County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2021

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 Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021.

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 DQGRPSUHKHQQV 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 \$491,291 during the fiscal year ended September 30, 2021, and are included as expenditures in the accompanying special-purpose financial statements. As of September 30, 2021, 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 Jenny Fields,
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, 2021, 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 January 11, 2022.

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 Jenny Fields,
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 January 11, 2022.

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 11, 2022



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable Jenny Fields,
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, 2021, and have issued our report thereon dated January 11, 2022.

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 11, 2022, 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 Jenny Fields,
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
January 11, 2022



INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Jenny Fields,
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, 2021. 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, 2021.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
January 11, 2022



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**MARTIN COUNTY, FLORIDA
SHERIFF**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021



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MARTIN COUNTY, FLORIDA
Sheriff
For the Year Ended September 30, 2021

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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, 2021, 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, 2021, 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, 2021, 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.

Change in Accounting Principle

As described in Note 2 to the financial statements, in the year ended September 30, 2021, the Sheriff adopted the provisions of Government Accounting Standards Board Statement ("GASBS") Number 84, *Fiduciary Activities*. As a result of the implementation of GASBS 84, the Sheriff reported a restatement for the change in accounting principle. 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 May 25, 2022, 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
May 25, 2022

Martin County, Florida
Sheriff
Balance Sheet
Governmental Funds
September 30, 2021

	General	Canteen/Inmate Welfare Fund	Nonmajor Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 582,233	\$ 323,220	\$ 654,675	\$ 1,560,128
Accounts receivable	110,200	89,874	-	200,074
Due from other funds	89,224	-	-	89,224
Due from other county agencies	176,749	-	7,241	183,990
Due from other governmental agencies	215,198	-	63,934	279,132
Total assets	<u>1,173,604</u>	<u>413,094</u>	<u>725,850</u>	<u>2,312,548</u>
LIABILITIES				
Accounts payable	230,293	703	6,029	237,025
Due to other funds	306,557	25,290	63,934	395,781
Due to Board of County Commissioners	635,200	-	58,497	693,697
Due to other governmental agencies	1,554	-	-	1,554
Total liabilities	<u>1,173,604</u>	<u>25,993</u>	<u>128,460</u>	<u>1,328,057</u>
FUND BALANCES				
Restricted for:				
Inmate Welfare Fund	-	387,101	-	387,101
Grant Funds	-	-	334,725	334,725
Trust Funds	-	-	262,665	262,665
Total fund balances	<u>-</u>	<u>387,101</u>	<u>597,390</u>	<u>984,491</u>
Total liabilities and fund balances	<u>\$ 1,173,604</u>	<u>\$ 413,094</u>	<u>\$ 725,850</u>	<u>\$ 2,312,548</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, 2021**

	General	Canteen/Inmate Welfare Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ 402,686	\$ 402,686
Charges for services	3,468,825	619,186	-	4,088,011
Fines and forfeitures	-	-	58,471	58,471
Interest income	29,859	47	38	29,944
Miscellaneous revenues	660,511	141,724	500	802,735
Total revenues	4,159,195	760,957	461,695	5,381,847
EXPENDITURES				
Current				
General government	3,429,822	625,739	-	4,055,561
Public safety	73,191,227	-	617,484	73,808,711
Capital outlay	6,859,316	-	75,023	6,934,339
Debt service:				
Principal	888,910	-	-	888,910
Interest	147,333	-	-	147,333
Total expenditures	84,516,608	625,739	692,507	85,834,854
Excess (deficiency) of revenues over (under) expenditures	(80,357,413)	135,218	(230,812)	(80,453,007)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	5,012,851	-	-	5,012,851
Transfers in	75,977,997	-	314,649	76,292,646
Transfers out	(633,435)	-	(58,496)	(691,931)
Total other financing sources (uses)	80,357,413	-	256,153	80,613,566
Net change in fund balances	-	135,218	25,341	160,559
Fund balances - beginning	-	251,883	572,049	823,932
Fund balances - ending	\$ -	\$ 387,101	\$ 597,390	\$ 984,491

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 3,426,306	\$ 3,426,306	\$ 3,468,825	\$ 42,519
Interest income	80,000	80,000	29,859	(50,141)
Miscellaneous revenues	69,000	69,000	660,511	591,511
Total revenues	3,575,306	3,575,306	4,159,195	583,889
EXPENDITURES				
Current				
General government	3,723,993	3,723,993	3,429,822	294,171
Public safety	72,041,349	72,041,349	73,191,227	(1,149,878)
Capital outlay	2,549,344	2,549,344	6,859,316	(4,309,972)
Principal	-	-	888,910	(888,910)
Interest	-	-	147,333	(147,333)
Total expenditures	78,314,686	78,314,686	84,516,608	(6,201,922)
Deficiency of revenues under expenditures	(74,739,380)	(74,739,380)	(80,357,413)	(5,618,033)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	5,012,851	5,012,851
Transfers in	74,819,380	74,819,380	75,977,997	1,158,617
Transfers out	(80,000)	(80,000)	(633,435)	(553,435)
Total other financing sources (uses)	74,739,380	74,739,380	80,357,413	5,618,033
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, 2021

ASSETS

Current assets:

Cash and cash equivalents	\$	7,060,954
Accounts receivable		891,459
Due from other funds		306,557
Prepaid items		<u>4,000</u>
Total assets		<u><u>8,262,970</u></u>

LIABILITIES

Current liabilities:

Accounts payable and accrued claims		<u>863,476</u>

NET POSITION

Unrestricted	\$	<u><u>7,399,494</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, 2021

OPERATING REVENUES

Charges for services	\$ 12,217,036
Miscellaneous revenues	<u>932,519</u>
Total operating revenues	<u><u>13,149,555</u></u>

OPERATING EXPENSES

General and administrative and claims	<u>13,563,401</u>
Operating Loss	<u><u>(413,846)</u></u>

NONOPERATING REVENUES (EXPENDITURES)

Interest income	<u>756</u>
Change in net position	(413,090)
Total net position - beginning	<u>7,812,584</u>
Total net position - ending	<u><u>\$ 7,399,494</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, 2021

	<u>Self-Insurance</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 15,067,455
Claims and administrative services paid	<u>(15,218,910)</u>
Net cash used in operating activities	<u>(151,455)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned	<u>756</u>
Net cash provided by investing activities	<u>756</u>
Net increase in cash and cash equivalents	(150,699)
Cash and cash equivalents - beginning of the year	<u>7,211,653</u>
Cash and cash equivalents - end of year	<u><u>\$ 7,060,954</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (413,846)
Change in assets and liabilities:	
Receivables, net	(41,143)
Accounts payable	<u>303,534</u>
Net cash used in operating activities	<u><u>\$ (151,455)</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
Custodial Funds
September 30, 2021

ASSETS

Cash and cash equivalents	\$ 594,119

LIABILITIES

Deposits	99,372

NET POSITION

Restricted for:

Individuals, organizations, and other governments	\$ 494,747

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

Martin County, Florida
Sheriff
Special-Purpose Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended September 30, 2021

ADDITIONS:

Fees and charges collected for others	\$ 534,247
Miscellaneous	<u>1,223,167</u>
Total additions	<u>1,757,414</u>

DEDUCTIONS:

Payments to Martin County Board of County Commissioners	11,749
Payments to individuals, organizations, and other governments	<u>1,737,416</u>
Total deductions	<u>1,749,165</u>

Change in net position	8,249
Total net position - beginning, as restated	<u>486,498</u>
Total net position - ending	<u>\$ 494,747</u>

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, 2021

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 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 (“GASB”) Codification Section 2100³¹ defining the Financial Reporting (QWLW). 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, 2021, 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, 2021

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

Custodial Fund ± This fund is 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.

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

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2021

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 RSHUDW. 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

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2021

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 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 \$75,977,997 for the Sheriff's General Fund and \$298,261 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 \$29,859 which was returned to the Board of County Commissioners as of September 30, 2021.

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, 2021

Note 2 ± GASB 84

In fiscal year 2021, the Sheriff implemented GASB Statement No. 84, *Fiduciary Activities*. The Sheriff has a prior period adjustment of \$486,498, that was previously reported as liabilities and is now classified as Restricted Net Position. The Sheriff has also determined that the criteria in paragraph 18 of GASB Statement No. 84 has been met, and the fiduciary activity should be reported in a Custodial fund.

Note 3 - Cash and Cash Equivalents and Investments

Cash and cash equivalents (including fiduciary funds) consist of the following at September 30, 2021:

Demand deposits	\$	9,211,551
Petty cash		3,650
	\$	<u>9,215,201</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, 2021, was \$10,916,451.

Note 4 ± Interfund Receivables and Payables and Transfers

Interfund receivable and payable balances at September 30, 2021, consist of the following:

<u>Fund</u>	<u>Interfund</u> <u>Receivables</u>	<u>Interfund</u> <u>Payables</u>
General Fund	\$ 89,224	\$ 306,557
Canteen Fund	-	25,290
Other Governmental Funds	-	63,934
Self-Insurance Fund	306,557	-
	<u>\$ 395,781</u>	<u>\$ 395,781</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.

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2021

Transfers for the year ended September 30, 2021, were as follows:

Fund	Transfers In From:			Transfers Out To:		
	Board	General Fund	Total	Board	Other Governmental Funds	Total
General Fund	\$ 75,977,997	\$ -	\$ 75,977,997	\$ 617,047	\$ 16,388	\$ 633,435
Other Governmental Funds	298,261	16,388	314,649	58,497	-	58,497
Total Transfers	\$ 76,276,258	\$ 16,388	\$ 76,292,646	\$ 675,544	\$ 16,388	\$ 691,932

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 5 ± Capital Assets

Capital assets consisted of vehicles, furniture, fixtures and equipment. Changes in capital assets for the year ended September 30, 2021, which are reported in the basic Government Wide Financial Statements of the County, were as follows:

	Beginning 10/01/20	Additions	Deletions	Ending 09/30/21
Capital assets, being depreciated:				
Machinery and equipment	\$ 23,552,518	\$ 7,029,339	\$ (1,055,255)	\$ 29,526,602
Accumulated depreciation	(14,725,448)	(2,594,271)	1,014,059	(16,305,660)
Total capital assets being depreciated	\$ 8,827,070	\$ 4,435,068	\$ (41,196)	\$ 13,220,942

Note 6 ± 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, 2021, were as follows:

	Beginning 10/01/20	Additions	Deletions	Ending 09/30/21
Compensated Absences	\$ 8,204,648	\$ 970,696	\$ (643,952)	\$ 8,531,392
Capital lease obligations	1,583,211	5,012,851	(888,910)	5,707,152
Total	\$ 9,787,859	\$ 3,028,117	\$ (664,473)	\$ 14,238,544

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2021

The annual debt service requirements to maturity for capital lease obligations are as follows:

Year Ending September 30,	Principal	Interest
2022	\$ 896,402	\$ 139,841
2023	918,690	117,553
2024	941,534	94,709
2025	964,948	71,295
2026	646,341	47,296
Thereafter	1,339,237	48,039
Total	<u>\$ 5,707,152</u>	<u>\$ 518,733</u>

Note 7 - Budget versus Actual Expenditures

The General Fund reported a unfavorable variance of \$1,891,950 in operating expenditures and debt service in relation to budgeted expenditures in the current fiscal year and a unfavorable variance of \$4,309,972 in capital outlay, resulting in an overall variance of \$6,201,922 for the fiscal year.

Note 8 - 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.

An annual comprehensive 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

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2021

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 annual comprehensive financial report. Financial information on this plan is available on the web at <http://www.sbafla.com/>.

FRS and HIS Contributions

The Sheriff's employer contributions to both plans totaled \$9,666,426 for the fiscal year ended September 30, 2021. 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 6KHULIIP 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, 2021. 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

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2021

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, 2021:

<u>Membership Class</u>	<u>Employee</u>	<u>Employer</u>
	<u>Contribution</u> <u>Rate</u>	<u>Contribution</u> <u>Rate*</u>
Regular	3.00%	10.82%
Special Risk	3.00%	25.89%
State Attorney/Public Defender	3.00%	63.73%
County, City, Special District Elected Officers	3.00%	51.42%
Special Risk Administrative Support	3.00%	37.76%
Senior Management	3.00%	29.01%
Deferred Retirement Option Program	N/A	18.34%

*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, 2021, 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, 2021, 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

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2021

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. 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, 2021, 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 Annual Comprehensive Financial Report (ACFR).

Note 9 - 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.

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2021

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 Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021.

Note 10 ± 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 FRYHUDJH any of the last three years.

The Sheriff's Group Health Insurance is VHOH insured and administered by a third party administrator. All assets, liabilities and operations related to health insurance as of September 30, 2021, 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 2021 and 2020 were as follows:

<u>Fiscal Year</u>	<u>Liability Beginning Balance</u>	<u>Additions</u>	<u>Claim Payments</u>	<u>Liability Ending Balance</u>
2021	\$ 559,942	\$ 13,866,935	\$ (13,563,401)	\$ 863,476
2020	\$ 570,945	\$ 13,285,031	\$ (13,296,034)	\$ 559,942

Note 11 - 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.



**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, 2021, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated May 25, 2022.

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 May 25, 2022.

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
May 25, 2022



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, 2021, and have issued our report thereon dated May 25, 2022.

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 May 25, 2022, 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 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)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
May 25, 2022



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, 2021. 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, 2021.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 25, 2022



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**MARTIN COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021



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Martin County, Florida
Supervisor of Elections
For the Year Ended September 30, 2021

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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, 2021, 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, 2021, 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, 2021, 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 19, 2022 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 19, 2022

Martin County, Florida
Supervisor of Elections
Special-Purpose Balance Sheet
General Fund
September 30, 2021

ASSETS

Cash and cash equivalents	\$	104,628
Accounts receivable		<u>5</u>
Total assets		<u><u>104,633</u></u>

LIABILITIES

Accounts payable		30,755
Accrued wages payable		31,100
Due to Board of County Commissioners		<u>42,778</u>
Total liabilities		<u><u>104,633</u></u>
Total liabilities and fund balance	\$	<u><u>104,633</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, 2021

REVENUES

Intergovernmental revenues	\$ 31,413
Charges for services	93
Interest income	439
Miscellaneous revenues	<u>1,860</u>
Total revenues	<u><u>33,805</u></u>

EXPENDITURES

Current:	
General government	1,233,830
Capital outlay	<u>25,598</u>
Total expenditures	<u><u>1,259,428</u></u>

Deficiency of revenues under expenditures	<u><u>(1,225,623)</u></u>

OTHER FINANCING SOURCES

Transfers in	1,268,341
Transfers out	<u>(42,778)</u>
Total other financing sources	<u><u>1,225,563</u></u>

Net change in fund balance	(60)

Fund balance - beginning	<u>60</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
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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ -	\$ 118,692	\$ 31,413	\$ (87,279)
Charges for services	-	-	93	93
Interest income	-	-	439	439
Miscellaneous revenues	-	-	1,860	1,860
Total revenues	-	118,692	33,805	(84,887)
EXPENDITURES				
Current:				
General government	1,268,341	1,387,836	1,233,830	154,006
Capital outlay	-	-	25,598	(25,598)
Total expenditures	1,268,341	1,387,836	1,259,428	128,408
Deficiency of revenues under expenditures	(1,268,341)	(1,269,144)	(1,225,623)	43,521
OTHER FINANCING SOURCES (USES)				
Transfers in	1,268,341	1,268,341	1,268,341	-
Transfers out	-	-	(42,778)	(42,778)
Total other financing sources (uses)	1,268,341	1,268,341	1,225,563	(42,778)
Net change in fund balance	-	(803)	(60)	\$ 743
Fund balance - beginning	-	803	60	
Fund balance - ending	\$ -	\$ -	\$ -	

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, 2021

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 VSHFLD propose 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 VSHFLD propose 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, 2021, 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, 2021

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, 2021

In the governmental activities section of the County's JRYHUQPHQW 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 \$1,268,341.

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 RX.WRevenues in excess of expenditures transferred out and due to the Board as of September 30, 2021, were \$42,778.

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 P aking 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.

Martin County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statement
For the Year Ended September 30, 2021

Note 2 ± Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

Demand deposits	\$ 103,928
Petty cash	<u>700</u>
	<u>\$104,628</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, 2021, are as follows:

	Beginning 10/01/2020	Additions	Reductions	Ending 09/30/2021
Compensated absences	\$ <u>43,081</u>	\$ <u>27,574</u>	\$ <u>(30,672)</u>	\$ <u>39,983</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, 2021

An annual comprehensive 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 annual comprehensive 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 \$56,505 for the fiscal year ended September 30, 2021. 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 DJJregate net pension liability for both plans will be reported in the financial statements of the County for fiscal year ended September 30, 2021. 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, 2021

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, 2021:

<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%	10.82%
Special Risk	3.00%	25.89%
State Attorney/Public Defender	3.00%	63.73%
County, City, Special District Elected Officers	3.00%	51.42%
Special Risk Administrative Support	3.00%	37.76%
Senior Management	3.00%	29.01%
Deferred Retirement Option Program	N/A	18.34%

*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, 2021, 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, 2021

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, 2021, 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 Annual Comprehensive Financial Report (ACFR).

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, 2021

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 \$3,048 were recognized for postretirement health care.

The 6XSHUYLVROUVOPEB 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 Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021.

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 \$34,108 during the fiscal year ended September 30, 2021, and are included as expenditures in the accompanying special-purpose financial statements. As of September 30, 2021, 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, 2021, 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 19, 2022.

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 Supervisor's internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor'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 19, 2022.

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 19, 2022



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, 2021, and have issued our report thereon dated January 19, 2022.

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 19, 2022, 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 19, 2022



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, 2021. 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, 2021.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
January 19, 2022



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**MARTIN COUNTY, FLORIDA
TAX COLLECTOR**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021



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Martin County, Florida
Tax Collector
For the Year Ended September 30, 2021

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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, 2021, 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, 2021, 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, 2021, 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 16, 2022, 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 16, 2022

Martin County, Florida
Tax Collector
Special-Purpose Balance Sheet
General Fund
September 30, 2021

ASSETS

Cash and cash equivalents	\$	5,154,700
Accounts receivable		2,262
Prepaid items		925
Total assets		<u>5,157,887</u>

LIABILITIES

Accrued wages payable	124,796
Due to Board of County Commissioners	4,834,081
Due to other governmental agencies	174,255
Deposits and other liabilities	24,755
Total liabilities	<u>5,157,887</u>

FUND BALANCE

Nonspendable:	
Prepaid items	925
Unassigned:	<u>(925)</u>
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ 5,157,887</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, 2021

REVENUES

Charges for services	\$ 10,731,825
Interest income	1,023
Miscellaneous revenues	<u>10,915</u>
Total revenues	<u><u>10,743,763</u></u>

EXPENDITURES

Current:	
General government	<u>5,970,464</u>

Excess of revenues over expenditures	<u><u>4,773,299</u></u>

OTHER FINANCING USES

Transfers in	60,782
Transfers out	<u>(4,834,081)</u>
Total other financing uses	<u><u>(4,773,299)</u></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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 11,089,033	\$ 11,089,033	\$ 10,731,825	\$ (357,208)
Interest income	56,326	56,326	1,023	(55,303)
Miscellaneous revenues	15,000	15,000	10,915	(4,085)
Total revenues	11,160,359	11,160,359	10,743,763	(416,596)
EXPENDITURES				
Current:				
General government	6,739,357	6,739,357	5,970,464	768,893
Capital outlay	97,390	97,390	-	97,390
Total expenditures	6,836,747	6,836,747	5,970,464	866,283
Excess of revenues over expenditures	4,323,612	4,323,612	4,773,299	449,687
OTHER FINANCING USES				
Transfers in	-	-	60,782	60,782
Transfers out	(4,323,612)	(4,323,612)	(4,834,081)	(510,469)
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
Custodial Fund
September 30, 2021

ASSETS

Cash and cash equivalents	\$ 4,668,586
Accounts receivable	<u>411,097</u>
Total assets	<u>5,079,683</u>

LIABILITIES

Installment tax escrow	3,480,512
Due to other governmental agencies	<u>1,599,171</u>
Total liabilities	<u>5,079,683</u>

NET POSITION

Net position	<u>-</u>
Total net position	<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 Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended September 30, 2021

ADDITIONS:

Tax collections for Martin County Board of County Commissioners	\$ 238,759,963
Tax collections for other governments	239,859,903
Miscellaneous	<u>10,399,709</u>
Total additions	<u>489,019,575</u>

DEDUCTIONS:

Payments to Martin County Board of County Commissioners	238,759,963
Payments to other governments	239,859,903
Miscellaneous	<u>10,399,709</u>
Total deductions	<u>489,019,575</u>

Change in net position	-
Total net position - beginning	<u>-</u>
Total net position - 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
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2021

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 ~~QRQ~~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 ~~VSHFL~~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, 2021, 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, 2021

Fiduciary Fund

Custodial 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 Custodial Fund is maintained 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, 2021

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 JRYHUQPHQWE 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 \$4,834,081 and \$174,255 respectively, as of September 30, 2021.

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2021

K. GASB 84

In fiscal year 2021, the Tax Collector implemented GASB Statement No. 84, *Fiduciary Activities*. The Tax Collector has determined that the criteria in paragraph 18 of the Statement has been met, and the fiduciary activity should be reported in a Custodial fund.

Note 2 - Cash and Cash Equivalents and Investments

Cash and cash equivalents

Cash and cash equivalents consist of demand deposits of \$9,812,986 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, 2021, was \$9,537,669.

Note 3 - Long-Term Liabilities

Changes in long-term liabilities for the year ended September 30, 2021, are as follows:

	Beginning 10/01/2020	Additions	Reductions	Ending 09/30/2021
Compensated absences	\$ 472,760	\$ 364,234	\$ (410,125)	\$ 426,869

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.

Martin County, Florida Tax Collector

Notes to Special-Purpose Financial Statements For the Year Ended September 30, 2021

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.

An annual comprehensive 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 annual comprehensive 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 \$482,680 for the fiscal year ended September 30, 2021. 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 OLDELOR With plans will be reported in the financial statements of the County for fiscal year ended September 30, 2021. 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

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2021

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.

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, 2021:

<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%	10.82%
Special Risk	3.00%	25.89%
State Attorney/Public Defender	3.00%	63.73%
County, City, Special District Elected Officers	3.00%	51.42%
Special Risk Administrative Support	3.00%	37.76%
Senior Management	3.00%	29.01%
Deferred Retirement Option Program	N/A	18.34%

*Employer contribution rates in the above table include a 1.66% contribution for the Retiree Health Insurance Subsidy Program.

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2021

RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM

Benefits Provided

For the fiscal year ended September 30, 2021, 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, 2021, 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 Annual Comprehensive Financial Report (ACFR).

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

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2021

retirement system. Currently, twenty-two 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 recognized as premiums are paid. During the year, expenditures of \$82,344 were recognized for postretirement health care.

The Tax Collector's total 23% 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 Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021.

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 \$823,764 during the fiscal year ended September 30, 2021, and are included as expenditures in the accompanying special-purpose financial statements. As of September 30, 2021, 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 2021 were \$135,988.

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2021

The following is an estimated schedule by years of future rentals under operating leases as of September 30, 2021:

<u>Year ending September 30</u>	
2022	\$ 102,501
2023	90,390
2024	86,416
2025	32,157
2026	1,605
Total	<u>\$ 313,069</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, 2021, 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 16, 2022.

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 16, 2022.

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 16, 2022



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, 2021, and have issued our report thereon dated February 16, 2022.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 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 16, 2022, 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 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 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 16, 2022



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, 2021. 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, 2021.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
February 16, 2022



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**MARTIN COUNTY, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021



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Martin County, Florida
Community Redevelopment Agency
For the Year Ended September 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners
Martin County, Florida
Community Redevelopment Agency

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and General Fund of the Martin County, Florida Community Redevelopment Agency (the "CRA"), a component unit of Martin County, Florida as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the CRA'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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the CRA'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 CRA'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.

Honorable Board of County Commissioners
Martin County, Florida
Community Redevelopment Agency

Opinions

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities and General Fund of the CRA as of September 30, 2021, and the respective changes in financial position and the respective 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2022, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 CRA's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 11, 2022

Management's Discussion and Analysis (unaudited)

The following narrative provides management's overview and analysis of Martin County Community Redevelopment Agency (CRA) for the fiscal year ended September 30, 2021. This information should be reviewed in conjunction with the financial statements and notes following this section. Additional information is provided in this narrative as the accompanying notes to the financial statements.

The CRA includes six project areas: Golden Gate, Hobe Sound, Jensen Beach, Old Palm City, Port Salerno, and Rio.

Financial Highlights

- At the close of fiscal year 2021, the CRA's assets exceeded its liabilities by \$19.703 million. Of this amount, \$10.657 million, or 54.1%, is net investment in capital assets, and \$9.046 million is unrestricted net position.
- At the beginning of fiscal year 2021, the CRA's net position was \$16.678 million; over the course of the year it increased by \$3.025 million, resulting in an ending net position of \$19.703 million.
- During the fiscal year, total assets increased by \$3.704 million, reflecting an increase of \$6.106 million in capital assets and a decrease of \$2.402 million in other assets.
- Total liabilities increased \$0.678 million, all current.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the CRA's basic financial statements. The County's basic financial statements comprise four components: 1) fund financial statements and 2) JRYHUQPHOW financial statements, which are combined into a single report, 3) notes to the financial statements, and 4) required supplementary information.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The CRA uses fund accounting to ensure and demonstrate compliance with legal, legislative, contractual, and other finance-related provisions.

These financial statements use 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 QHDE term financing requirements. Because the focus 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.

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 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 CRA fund balance sheet is combined with the government-wide statement of net position, and the CRA governmental fund statement of revenues, expenditures, and changes in fund balances is combined with the government-wide statement of activities, with adjustments shown that occur from fund to government-wide. Details and reconciliation to facilitate the comparison between governmental funds and governmental activities are included in the Notes to the Financial Statements.

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

A governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances ± Budget to Actual is provided.

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 2021, the CRA's assets exceeded liabilities by \$19.703 million.

Martin County CRA's Net Position as of September 30

	2021	2020
Assets		
Current and other assets	\$ 10,065,770	\$ 12,467,730
Capital assets, net	10,657,142	4,551,653
Total assets	<u>20,722,912</u>	<u>17,019,383</u>
Liabilities		
Current liabilities	<u>1,019,414</u>	<u>340,915</u>
Net position		
Net investments in capital	10,657,142	4,551,653
Unrestricted	<u>9,046,356</u>	<u>12,126,815</u>
Total net position	<u>\$ 19,703,498</u>	<u>\$ 16,678,468</u>

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

- During the fiscal year, current and other assets decreased \$2.402 million, or 19.3%, from decreases in cash and investments, mostly in the Hobe Sound and Palm City CRAs as large projects were completed. Capital assets increased \$6.105 million, or 134.1%, due to recognizing completed projects and assets such as Mapp Road Town Center Phase II, Bridge Road "Main Street," Salerno Water Main, Pettway Park, Rio Septic to Sewer, and Rio Skate Park improvements.
- Liabilities also increased \$0.678 million during fiscal year 2021. This slight increase includes \$0.467 million accounts payable and \$0.213 million retainage.
- The net effect of these year-over-year changes is a \$3.025 million increase in net position.

Martin County CRA's Change in Net Position for the Year Ended September 30

	2021	2020
Revenue		
Operating grants	\$ 4,464,845	\$ 3,910,935
Capital contributions	28,385	4,690
Interest	37,995	189,345
Total revenues	<u>4,531,225</u>	<u>4,104,970</u>
Expenses		
Current		
General Government	12,887	16,910
Physical Environment	13,016	7,125
Transportation	50,233	52,505
Economic Environment	1,426,907	1,688,463
Culture and Recreation	3,152	2,707
Total expenses	<u>1,506,195</u>	<u>1,767,710</u>
 Change in net position	 3,025,030	 2,337,260
 Net position - beginning	 <u>16,678,468</u>	 <u>14,341,208</u>
 Net position - ending	 <u><u>\$ 19,703,498</u></u>	 <u><u>\$ 16,678,468</u></u>

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

- Operating grants increased \$0.554 million, or 14.2%, due to increased property values that generate tax increment financing (TIF).
- Interest decreased \$0.151 million because of the global downturn in interest rates, and capital contributions increased by \$0.024 million; there was a \$0.028 million donation toward Mapp Road Town Center.
- Current expenses decreased \$0.262 million, or 14.8%, including an increase to depreciation of \$0.013 million. These are normal fluctuations as various project areas start and finish activity. Depreciation increases as assets are completed and put into service. In fiscal year 2021, this includes Mapp Road Town Center and Bridge Road “Main Street,” among others.

Financial Analysis of the CRA’s Funds

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

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 QW resources available for spending at the end of the fiscal year.

As of September 30, 2021, the CRA's governmental funds reported an ending fund balance of \$9.046 million. Of this total, \$8.720 million is designated as committed, \$0.300 million is restricted for grants, and the remaining \$0.026 million is nonspendable.

The deficiency of \$3.080 million in revenues under expenditures is due to capital outlay, using existing fund balance. This compares to last fiscal year's excess of \$0.980 million. Revenues increased by \$0.431 million while expenditures increased by \$4.492 million year over year (\$4.761 million in capital outlay), contributing to the decrease in net change in fund balance. The CRA's share of local intergovernmental revenue increased \$0.554 million.

Budgetary Highlights

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

The CRA final budget increase of \$12.111 million was primarily due to a \$11.754 million increase to the capital outlay budget, but \$9.021 million of the increase was 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

As of September 30, 2021, the CRA's investment in capital assets amounts to \$10.657 million (net of accumulated depreciation). This investment in capital assets includes mostly land and land use rights, infrastructure, and construction in progress.

Martin County CRA's Capital Assets

	2021	2020
Land and land use rights	\$ 1,763,455	\$ 1,708,717
Land improvements	362,436	362,436
Buildings	338,609	311,892
Land use rights temporary	-	5,701
Machinery and equipment	57,354	55,426
Infrastructure	1,573,366	1,573,366
Construction in progress	7,342,524	1,186,589
Less: accumulated depreciation	(780,602)	(652,474)
Total	<u>\$ 10,657,142</u>	<u>\$ 4,551,653</u>

Major capital additions in fiscal year 2021 include \$6.095 million in CIP infrastructure including Mapp Road Town Center (\$2.3 million), Bridge Road "Main Street" (\$1.3 million), Salerno Water Main (\$1.2 million), and Rio Septic to Sewer (\$0.5 million). See *Note 4 ± Capital Assets* for additional detail.

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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Martin County, Florida
Community Redevelopment Agency
Governmental Fund Balance Sheet - Governmental Activities
September 30, 2021

	<u>General Fund</u>	<u>Adjustments (Note #2)</u>	<u>Governmental Activities</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 150,897	\$ -	\$ 150,897
Investments	9,888,803	-	9,888,803
Assets held for resale or donation	26,070	-	26,070
Noncurrent assets			
Capital assets not being depreciated	-	9,105,979	9,105,979
Capital assets, net of depreciation	-	1,551,163	1,551,163
Total assets	<u><u>\$ 10,065,770</u></u>	<u><u>10,657,142</u></u>	<u><u>20,722,912</u></u>
LIABILITIES			
Current liabilities			
Accounts payable	738,916	-	738,916
Accrued wages payable	20,610	-	20,610
Contracts payable - retainage	259,888	-	259,888
Total liabilities	<u><u>1,019,414</u></u>	<u><u>-</u></u>	<u><u>1,019,414</u></u>
FUND BALANCE			
Nonspendable - assets held for resale	26,070	(26,070)	-
Restricted for housing grants and other	300,000	(300,000)	-
Committed to ordinance/CRA	8,720,286	(8,720,286)	-
Total fund balance	<u><u>9,046,356</u></u>	<u><u>(9,046,356)</u></u>	<u><u>-</u></u>
Total liabilities and fund balance	<u><u>\$ 10,065,770</u></u>		
NET POSITION			
Net investment in capital assets		10,657,142	10,657,142
Unrestricted		9,046,356	9,046,356
Total net position		<u><u>\$ 19,703,498</u></u>	<u><u>\$ 19,703,498</u></u>

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

Martin County, Florida
Community Redevelopment Agency
Governmental Fund Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Activities
For the Year Ended September 30, 2021

	<u>General Fund</u>	<u>Adjustments (Note #2)</u>	<u>Governmental Activities</u>
REVENUES / PROGRAM REVENUES			
Intergovernmental revenues	\$ 4,464,845	\$ (4,464,845)	\$ -
Operating grants and contributions - Economic environment	-	4,464,845	4,464,845
Interest income	37,995	-	37,995
Contributions - private sources & donations	28,385	-	28,385
Total revenues / program revenues	<u>4,531,225</u>	<u>-</u>	<u>4,531,225</u>
EXPENDITURES / EXPENSES			
Current:			
Economic environment	1,372,368	133,827	1,506,195
Capital outlay	6,239,316	(6,239,316)	-
Total expenditures / expenses	<u>7,611,684</u>	<u>(6,105,489)</u>	<u>1,506,195</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,080,459)</u>	<u>6,105,489</u>	<u>3,025,030</u>
Net change in fund balance / net position	<u>(3,080,459)</u>	<u>6,105,489</u>	<u>3,025,030</u>
Fund balance / net position - beginning	<u>12,126,815</u>	<u>4,551,653</u>	<u>16,678,468</u>
Fund balance / net position - ending	<u>\$ 9,046,356</u>	<u>\$ 10,657,142</u>	<u>\$ 19,703,498</u>

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

Martin County, Florida
Community Redevelopment Agency
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual	Actual
	Original	Final	Amounts	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ 4,626,926	\$ 4,626,926	\$ 4,464,845	\$ (162,081)
Interest income	-	-	37,995	37,995
Contributions - private sources & donations	-	-	28,385	28,385
Total revenues	<u>4,626,926</u>	<u>4,626,926</u>	<u>4,531,225</u>	<u>(95,701)</u>
EXPENDITURES				
Current:				
Economic environment	1,109,001	1,466,153	1,372,368	93,785
Capital outlay	<u>3,506,490</u>	<u>15,260,691</u>	<u>6,239,316</u>	<u>9,021,375</u>
Total expenditures	<u>4,615,491</u>	<u>16,726,844</u>	<u>7,611,684</u>	<u>9,115,160</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,435</u>	<u>(12,099,918)</u>	<u>(3,080,459)</u>	<u>9,019,459</u>
Reserves	<u>(11,435)</u>	<u>(1,435)</u>	<u>-</u>	<u>1,435</u>
Net change in fund balances	<u>-</u>	<u>(12,101,353)</u>	<u>(3,080,459)</u>	<u>\$ 9,020,894</u>
Fund balances - beginning	<u>-</u>	<u>12,101,353</u>	<u>12,126,815</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,046,356</u>	

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

Martin County, Florida
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2021

Note 1 - Summary of Significant Accounting Policies

The significant accounting policies followed by Martin County Community Redevelopment Agency (the CRA) are summarized below:

A. Reporting Entity and Financial Statement Presentation

The Martin County CRA is reported as a blended component unit in the Martin County Annual Comprehensive Financial Report (ACFR). 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, 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 2021 Vision Plan for a Sustainable Martin County (the "Vision Plan"). The CRA is being reported as a nonmajor governmental fund for fiscal year 2021 in the County's ACFR.

The CRA is reported as a blended component unit because accounting principles generally accepted in the United States of America (GAAP) require organizations that are fiscally dependent on the County, substantively controlled by the same governing board as the County, and 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.

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 CRA 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 CRA is reported as a part of the primary government of Martin County, Florida.

B. Basic Financial Statements

The basic financial statements include both government-wide (based on the CRA as a whole) and fund financial statements. In the government-wide Statement of Net Position, the governmental activities 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 when applicable.

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 such as certain intergovernmental revenues. 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.

Martin County, Florida
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2021

For governmental activities the net cost (by function) is normally funded by general revenue, intergovernmental revenues, and interest income.

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 CRA'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, Note 2 presents a reconciliation to briefly explain the adjustments necessary to reconcile the CRA fund financial statements with the CRA government-wide presentation.

C. Basis of Presentation

The accounting records of the CRA 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.

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

D. 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 CRA considers revenue to be available if they are collected within 60 days.

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 CRA 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.

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

Martin County, Florida
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2021

E. Budgets

Budgets are prepared on a basis consistent with GAAP and are balanced, meaning that total appropriations are equal to total revenues.

Budgets are legally 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.

Revenues for the CRA are provided for primarily by ad valorem taxes. The key dates applicable to the ad valorem property tax cycle under normal conditions are as follows:

Assessment roll validated	July 1
Notice of Proposed Taxes Mailed	August 10-25
Millage resolution approved	October 8
Final Tax Roll Certification	October 10-20
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.

CRA projects are largely funded by Tax Increment Financing (TIF) from each redevelopment area. When a redevelopment area is established, the current assessed value of the property within the project area is designated as the base year value. TIF is a mechanism which captures a percentage of any new tax revenue generated within a redevelopment area. For example, if a CRA area is established in 2001, the Agency receives a percentage of any tax revenue greater than the amount of revenue captured in that base year. This percentage can range between 50% and 95%.

Currently, the six CRA areas receive 75% of this increase as TIF funds to be used in the community redevelopment areas, as allocated by the Board of County Commissioners. TIF funds collected from a particular CRA area are invested back into that area only.

Martin County, Florida
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2021

Generating TIF is not an additional tax levy or a supplementary assessment on property owners. It is not an additional tax. TIF is an economic development tool used to leverage funds to promote private sector investment within the primary urban service boundary, and to generate revenues to finance projects.

Per Florida Statute 163.387(2)(b), any taxing authority that does not pay the increment revenues to the trust fund by January 1 shall pay to the trust fund an amount equal to 5 percent of the amount of the increment revenues and shall pay interest on the amount of the unpaid increment revenues equal to 1 percent for each month the increment is outstanding, provided the agency may waive such penalty payment in whole or in part.

F. 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. Assets Held for Resale

The CRA has purchased four properties to date for community redevelopment and has 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.

3. 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 government-wide financial statements. In the governmental fund 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 Special-Purpose Financial Statements
For the Year Ended September 30, 2021

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

4. 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.

5. Fund Balance / Net Position

At the government-wide level:

Net investment in capital assets represents the portion of net position that is associated with capital assets and is therefore not available for general operations.

Unrestricted net position represents amounts that are generally available for any use.

At the governmental fund level:

Non-spendable fund balances include amounts not available in spendable form, like inventories or assets held for resale.

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.

Martin County, Florida
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2021

Note 2 – Reconciliation Between Governmental Fund Statements and Government-Wide Statements

The following is a reconciliation between the Governmental Funds Balance Sheet and the Statement of Net Position at September 30, 2021:

Fund Balance	\$ 9,046,356
Add Capital Assets, net of accumulated depreciation as they are not financial resources and are therefore not reported in the funds	10,657,142
Net Position	<u>\$ 19,703,498</u>

The following is a reconciliation between the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities for the fiscal year ended September 30, 2021:

Net change in fund balance	\$ (3,080,459)
Less current year depreciation on capital assets as the Governmental Fund Statements record an expenditure at the time of purchase	(133,827)
Plus capital outlay recorded in fund level statements	6,239,316
Plus capital contribution	-
Change in net position	<u>\$ 3,025,030</u>

In addition, revenues are reported by program/function at government-wide.

Note 3 - Cash and Cash Equivalents and Investments

Cash and cash equivalents

The CRA participates in the pooled cash and investments of Martin County, Florida. 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 State Treasurer. Any losses to public depositories 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. As of September 30, 2021, the CRA had \$150,897 cash and cash equivalents.

Martin County, Florida
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2021

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 of the County's Annual Comprehensive Financial Report (ACFR) for the year ended September 30, 2021.

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.

Cash and cash equivalent	\$150,897
Investments	<u>9,888,803</u>
	<u>\$10,039,700</u>

As of September 30, 2021, 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 CRA does not manage its own investments. It is a portion of the County's overall pooled investments; refer to *Note 2 – Cash and Cash Equivalents and Investments* in the Martin County ACFR for further information on the County's disclosures for custodial risk, credit risk, concentration risk, and interest rate risk.

Martin County, Florida
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2021

Note 4 – Capital Assets

Capital asset activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,690,421	\$ 54,738	\$ -	\$ 1,745,159
Land use rights - permanent	18,296	-	-	18,296
Construction in progress	1,186,589	6,184,580	(28,645)	7,342,524
Total capital assets not being depreciated	2,895,306	6,239,318	(28,645)	9,105,979
Capital assets being depreciated:				
Buildings and improvements	311,892	26,717	-	338,609
Equipment and other assets	55,426	1,928	-	57,354
Land use rights - temporary	5,701		(5,701)	-
Land improvements	362,436			362,436
Infrastructure	1,573,366	-	-	1,573,366
Total capital assets being depreciated	2,308,821	28,645	(5,701)	2,331,765
Less accumulated depreciation for:				
Buildings and improvements	(153,177)	(16,039)	-	(169,216)
Equipment and other assets	(15,277)	(1,380)	-	(16,657)
Land use rights - temporary	(3,672)	(2,028)	5,701	0
Land improvements	(32,921)	(29,204)		(62,125)
Infrastructure	(447,427)	(85,177)	-	(532,604)
Total accumulated depreciation	(652,474)	(133,829)	5,701	(780,602)
Total capital assets being depreciated, net	1,656,347	(105,184)	-	1,551,163
Governmental activities capital assets, net	\$ 4,551,653	\$ 6,134,134	\$ (28,645)	\$ 10,657,142



**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
Community Redevelopment Agency

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 Community Redevelopment Agency (the "CRA") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the CRA's financial statements and have issued our report thereon dated May 11, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CRA'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 CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA's internal control.

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

Our consideration of internal control 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 over financial reporting 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
Community Redevelopment Agency

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CRA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, grant agreements and contracts, 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 CRA in a separate management letter and Independent Accountant's Report dated May 11, 2022.

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 CRA'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
May 11, 2022



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Board of County Commissioners
Martin County, Florida
Community Redevelopment Agency

Report on the Financial Statements

We have audited the basic financial statements of the Martin County, Florida Community Redevelopment Agency (the "CRA") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated May 11, 2022.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, 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 May 11, 2022, 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. There were no recommendations made in the preceding audit report.

Official Title and Legal Authority

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

Honorable Board of County Commissioners
Martin County, Florida
Community Redevelopment Agency

Financial Condition

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and communicate the results of our determination as to whether or not the CRA 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 CRA did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the CRA. It is management's responsibility to monitor the CRA'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 communicate 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 218.38(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.

Specific information of the CRA, a dependent district of Martin County, Florida, that is required by Section 218.39(3)(c), Florida Statutes, and Section 10.544(1)(i)6, *Rules of the Auditor General*, is reported in Martin County, Florida's management letter for the fiscal year ended September 30, 2021.

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 have any such findings.

Honorable Board of County Commissioners
Martin County, Florida
Community Redevelopment Agency

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Board of County Commissioners, 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
May 11, 2022



INDEPENDENT ACCOUNTANT'S REPORT

Honorable Board of County Commissioners
Martin County, Florida
Community Redevelopment Agency

We have examined the Martin County, Florida Community Redevelopment Agency's (the "CRA") compliance with the requirements of Sections 163.387(6) and (7) and 218.415, Florida Statutes, during the fiscal year ended September 30, 2021. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA'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 CRA is in accordance with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the CRA'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 CRA's compliance with specified requirements.

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2021.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 11, 2022



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