

MARTIN COUNTY, FLORIDA



**ANNUAL FINANCIAL REPORT
TO THE AUDITOR GENERAL**



FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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 29 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, 2022**



**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, 2022

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

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

FINANCIAL SECTION

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

BASIC FINANCIAL STATEMENTS

Government-wide Statements:

Statement of Net Position.....	16
Statement of Activities.....	18

Fund Financial Statements:

Balance Sheet - Governmental Funds.....	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	23
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund.....	24
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Consolidated Fire/EMS.....	25
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Federal Grants.....	26
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Other State Grants.....	27
Statement of Net Position - Proprietary Funds.....	28
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds.....	30
Statement of Cash Flows - Proprietary Funds.....	31
Statement of Fiduciary Net Position - Fiduciary Funds.....	33
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	34
Notes to the Financial Statements.....	35

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)

Schedule of Changes in Martin County Total OPEB Liability and Related Ratios.....	84
Schedule of Martin County Proportionate Share of the Net Pension Liability and Schedule of Martin County Contributions - Florida Retirement System.....	86
Schedule of Martin County Proportionate Share of the Net Pension Liability and Schedule of Martin County Contributions - Health Insurance Subsidy Program.....	88

COMBINING AND INDIVIDUAL FUND STATEMENTS

Combining Balance Sheet - Nonmajor Governmental Funds.....	91
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	97
Statement of Net Position - Nonmajor Enterprise Funds.....	102
Statement of Revenues, Expenses and Changes in Net Position - Nonmajor Enterprise Funds.....	104
Statement of Cash Flows - Nonmajor Enterprise Funds.....	105
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual for Nonmajor Special Revenue Funds.....	107
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual for Nonmajor Debt Service Funds.....	126
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual for Major and Nonmajor Capital Project Funds.....	128
Combining Statement of Net Position - Internal Service Funds.....	131
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds.....	132
Statement of Cash Flows - Internal Service Funds.....	133
Combining Statement of Fiduciary Net Position - Private Purpose Trust Funds.....	135
Combining Statement of Changes in Fiduciary Net Position - Private Purpose Trust Funds.....	136
Combining Statement of Fiduciary Net Position - Custodial Funds.....	137
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds.....	138

STATISTICAL SECTION (Unaudited)

Net Position by Component, Last Ten Fiscal Years.....	140
Changes in Net Position, Last Ten Fiscal Years.....	142
Fund Balances, Governmental Funds, Last Ten Fiscal Years.....	146
Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years.....	148
Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years.....	151
Direct and Overlapping Property Tax Rates Per Thousand of Taxable Value, Last Ten Fiscal Years.....	153
Principal Property Tax Payers, Current Fiscal Year and Nine Years Ago.....	155
Property Tax Levies and Collections, Last Ten Fiscal Years.....	156
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years.....	158
Ratios of Net General Bonded Debt Outstanding, Last Ten Fiscal Years.....	160
Direct and Overlapping Governmental Activities Debt.....	161
Pledged-Revenue Coverage - Governmental Activities, Last Ten Fiscal Years.....	162
Pledged-Revenue Coverage - Business-Type Activities, Last Ten Fiscal Years.....	163
Demographic and Economic Statistics, Last Ten Years.....	165
Principal Employers, Current Year and Nine Years Ago.....	166
Full-time Equivalent Martin County Government Employees By Function/Program, Last Ten Fiscal Years.....	167
Operating Indicators by Function/Program, Last Ten Fiscal Years.....	169
Capital Asset Statistics by Function, Last Ten Fiscal Years.....	171

SINGLE AUDIT and OTHER REPORTS

Schedule of Expenditures of Federal Awards and State Financial Assistance.....	172
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.....	179
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.....	180
Independent Auditor's Report on Compliance for Each Major Federal Program and Major State Project and on Internal Control over Compliance; Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General.....	182
Schedule of Findings and Questioned Costs.....	185
Independent Auditor's Management Letter.....	187
Independent Accountant's Report.....	191

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

April 26, 2023

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, 2022

Dear Ladies and Gentlemen:

The Annual Comprehensive Financial Report for Martin County, Florida, for the fiscal year ended September 30, 2022, 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, P.A., 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, 2022, 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 2022 population is estimated to be 161,655. Martin County is home to 21 miles of ocean beaches and 73 parks (approximately 1,800 acres of park land). Other County facilities include 12 fire stations, 6 libraries, 12 community centers and 501 miles of county-maintained paved roads. During the past decade (2013– 2022), the population of the County increased 9%. 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, Sailfish Sands Golf Course, and Martin County Airport at Witham Field.

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, the Town of Ocean Breeze, 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 56.7%. The unemployment rate for the County decreased to 2.4% in 2022 from 3.4% in 2021, compared to 3.5% nationally, while Florida's unemployment rate was 2.6%.

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 2022, efforts continued to address the County's infrastructure construction and maintenance backlog.

The County's total weighted average millage rate adopted for Fiscal Year 2022 (FY22) decreased 0.1% to 10.3538%. Despite the decrease in millage, increases in property values result in approximately \$76.32 more in taxes paid by the average single-family homeowner using a \$287,675 net assessed value. The Property Appraiser certified property values with a total tax base of \$25.1 billion, a 5.3% increase from the prior year. The single-family median market value increased from \$270,640 in the prior year to \$287,675. 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 FY22 is \$526,490,922, which is an increase of \$35,030,909, or 7.1%, over the FY21 budget. This net increase includes a \$10.9 million increase in ad-valorem revenues excluding Commission District MSTU's and special districts.

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 or 30 years; the County will not fund current operations or maintenance from the proceeds of long-term debt; the County will maintain governmental obligation 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). Other County funds maintain similar designated reserves.

The County's water and wastewater system reserves are to be maintained equal to a minimum of three months of the water and wastewater operating budget, less depreciation, annual debt service, and capital expenditures.

Major Initiatives

The Clerk of the Circuit Court and Comptroller continues the records conversion program, to move from an era of paper filings, 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.

The Clerk started two major projects during the year, including:

- Criminal Justice Data Transparency (CJDT), a statewide required initiative in Florida, is an important effort to increase openness and accountability in the state's criminal justice system. This initiative seeks to provide the public with greater access to information about how the criminal justice system operates, including data on arrests, prosecutions, and sentencing. One of the key benefits of this initiative is that it can help to build trust between law enforcement agencies and the communities they serve.
- Uniform Case Reporting (UCR), also a statewide required initiative in Florida, is a critical program that plays a vital role in maintaining our partnership with the Office of the State Courts Administrator and promoting effective information exchange. This program is designed to provide accurate, reliable, and timely case data throughout the state, which is essential for identifying trends, developing effective strategies, and allocating resources to where they are most needed.

Additionally, the Clerk continues to provide an electronic notification and alert service to help combat fraud and identity theft resulting 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 FY22 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:

- Mapp Road Town Center – This project is to revitalize Old Palm City including a Town Square and promote economic development. The improvements include enhanced infrastructure, landscaping, benches, lighting, and sidewalks. The total cost through FY22 was \$7.8 million. Remaining construction and design total \$2.9 million, to be funded by Tax Increment Financing (TIF) funds.
- 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 \$69.1 million. In FY23 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 \$1,836,250 in grants, and \$110,000 in vessel registration fees.

- New Fire stations – Four new fire stations were substantially completed in FY22 at the total cost of \$14 million. These facilities were built with state-of-the-art technologies to withstand hurricane forces. Stations 14, 18, 33, and 36 are expected to be completed in early FY23.
- Blake Library Outdoor Space – The Blake Library underwent renovation to add an outdoor space that includes outdoor games, shaded seating, and performance areas. This project was completed in FY22 for a total cost of \$500,000.
- Airport Pavement Rehabilitation – This project is to rehabilitate the airport taxiways and runways in accordance with Federal Aviation Administration and Department of Transportation regulations. The total cost is \$12.1 million and will be funded with airport fees and 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 \$12.1 million. The project will be funded by Tax Increment Financing (TIF) funds, which included \$920,000 for FY22.
- 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 \$11.7 million. The project will be funded by Tax Increment Financing (TIF) funds, which included \$810,000 for FY22.
- Port Salerno CRA Improvements – This project includes infrastructure improvements for parking and roads for anticipated growth. The total remaining project costs are \$13.1 million and will be funded by Tax Increment Financing (TIF) funds, which included \$845,000 for FY22.
- Cove Road Widening – This project is for the widening of 3.2 miles of Cove Road to a four-lane divided highway. The total cost is \$56 million with major work to be started in FY23. This project will be funded with state funds.
- Septic to Sewer Conversion – This project is to convert commercial properties to Martin County’s sewer service to enhance the water quality of the St. Lucie River and Indian River Lagoon. This is an ongoing project that is also incorporated into the Community Redevelopment Agency improvement projects.

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, 2021. This was the twenty-ninth 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 titled 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.

Additionally, the Government Finance Officers Association awarded Martin County the Triple Crown for Fiscal Year 2020. This award recognizes governments that have received the GFOA Certificate of Excellence in Financial Reporting, Popular Annual Financial Reporting, and the Distinguished Budget Presentation Award in the same fiscal year.

I would like to thank the entire staff of the Division 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/jr

**MARTIN COUNTY, FLORIDA
ELECTED OFFICIALS
AS OF SEPTEMBER 30, 2022**

BOARD OF COUNTY COMMISSIONERS

DOUG SMITH
County Commissioner
District #1
Chairman

STACEY HETHERINGTON
County Commissioner
District #2

HAROLD JENKINS
County Commissioner
District #3

SARAH HEARD
County Commissioner
District #4

EDWARD CIAMPI
County Commissioner
District #5

CONSTITUTIONAL OFFICERS

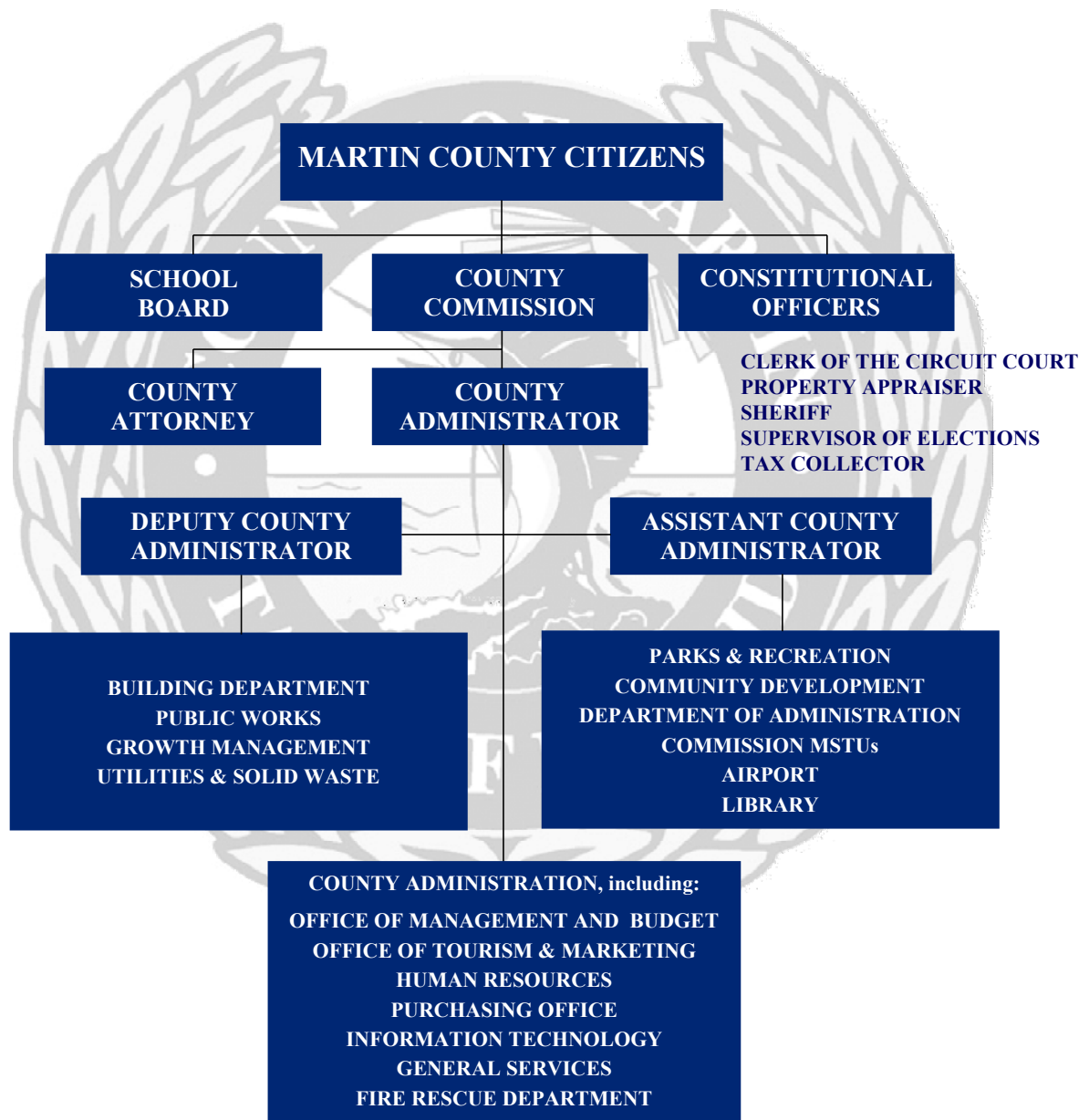
CAROLYN TIMMANN
Clerk of the Circuit Court & Comptroller

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, 2021

Executive Director/CEO



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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners
Martin County, Florida

Report on the Audit of the Financial Statements

Opinions

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 fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2022, 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 fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Emphasis-of-Matter

As discussed in Notes 5 and 7 to the financial statements, in the fiscal year ended September 30, 2022, the County adopted the provisions of Government Accounting Standards Board Statement ("GASBS") Number 87, *Leases*. 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 the 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.

Honorable Board of County Commissioners
Martin County, Florida

Supplementary 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 Combining and Individual Fund Statements and Schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The 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 is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the statistical section, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2023, 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
April 26, 2023

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, 2022. 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 2022, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$915.379 million. Of this amount, \$931.290 million, or 101.74%, is net investment in capital assets. An additional portion of the County's net position, \$107.148 million, or 11.71%, represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$123.059 million, or 13.44%. Overall, the County experienced an increase in net position of \$64.789 million from the prior year net position of \$850.590 million.
- During the fiscal year, the total assets and deferred outflows increased by \$82.365 million. Total assets increased by \$67.962 million while deferred outflows increased by \$14.403 million (an increase of \$11.156 million of deferred outflows for pensions, an increase of \$3.774 million of deferred outflows for other post employment benefits (OPEB), and a decrease of \$0.527 million of deferred outflows for loss on refunding debt).
- Total liabilities increased \$134.306 million, the change in deferred inflows for pensions has decreased by \$126.957, and the change in deferred inflows for OPEB increased \$8.832 million. As a result, the net change in total liabilities and deferred inflows increased during the year by \$17.574 million.
- The County's governmental funds had a fund balance of \$231.959 million compared to last year's fund balance of \$243.585 million, a decrease in governmental fund balance of \$11.626 million.
- At the beginning of the 2022 fiscal year, the fund balance for the County's general fund was \$62.675 million. Over the course of the year it increased by \$5.182 million resulting in an ending fund balance of \$67.857 million.

Overview of the Financial Statements

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

For the year ended September 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities.

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 2022, the County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$915.379 million. Of the total net position, \$577.154 million can be attributed to governmental activities and \$338.225 million to business-type activities.

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

	2022	2021	2022	2021	2022	2021
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Government-wide Total	Government-wide Total
Current and other assets	\$ 328,699	\$ 315,035	\$ 121,816	\$ 105,090	\$ 450,515	\$ 420,125
Capital assets and right of use, net	758,785	726,848	305,000	299,365	1,063,785	1,026,213
Total assets	1,087,484	1,041,883	426,816	404,455	1,514,300	1,446,338
Deferred outflows of resources	83,231	69,058	5,708	5,478	88,939	74,536
Current and other liabilities	68,769	60,397	19,821	17,508	88,590	77,905
Long-term liabilities outstanding	487,743	366,950	72,443	69,615	560,186	436,565
Total liabilities	556,512	427,347	92,264	87,123	648,776	514,470
Pension	13,935	136,178	432	5,146	14,367	141,324
Other postemployment benefits	22,827	14,330	495	160	23,322	14,490
Leases	287	-	1,106	-	1,393	-
Deferred inflows of resources	37,049	150,508	2,033	5,306	39,082	155,814
Net position						
Investment in capital assets	674,041	644,480	257,249	240,200	931,290	884,680
Restricted	79,184	72,645	27,964	24,576	107,148	97,221
Unrestricted (deficit)	(176,071)	(184,039)	53,012	52,728	(123,059)	(131,311)
Total net position	\$ 577,154	\$ 533,086	\$ 338,225	\$ 317,504	\$ 915,379	\$ 850,590

The largest portion of the County's net position, \$931.290 million, or 101.74%, 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, \$107.148 million, or 11.71%, represents resources that are subject to restrictions on how they may be used. The remaining balance in unrestricted net position is a deficit of \$123.059 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 \$176.071 million, primarily due to OPEB and pension liabilities. The County's overall net position increased by \$64.789 million or 7.62%.

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

- During the fiscal year, current and other assets increased by \$30.390 million mostly due to an increase in cash and investments of \$16.315 million resulting from a \$15.093 million increase in tax collections.
- Total capital assets net of depreciation increased \$37.572 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 increased \$134.306 million from prior year balances primarily as a result of a \$141.513 million increase in net pension liability, due to actuarial adjustments based on 2021 market fluctuations. Additionally, \$3.779 million of new debt was issued for septic to sewer projects, offset by \$18.856 million

in scheduled paydown of long term liabilities due to the payoff of outstanding revenue bonds and notes, and a \$2.575 million decrease in the OPEB liability affected the total liabilities increase.

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

	2022	2021	2022	2021	2022	2021
	Governmental	Governmental	Business-type	Business-type	Government-wide	Government-wide
	Activities	Activities	Activities	Activities	Total	Total
Revenues:						
Program revenues:						
Charges for services	\$ 54,365	\$ 54,054	\$ 72,396	\$ 64,730	\$ 126,761	\$ 118,784
Operating grants and contributions	25,006	41,372	657	2,378	25,663	43,750
Capital grants and contributions	23,769	18,841	18,894	8,118	42,663	26,959
General revenues:						
Property taxes	229,169	217,707	-	-	229,169	217,707
Other taxes	35,837	32,206	-	-	35,837	32,206
Contributions not restricted to specific programs	7,371	5,871	-	-	7,371	5,871
Other	4,936	5,199	3,156	3,084	8,092	8,283
Total revenues	<u>380,453</u>	<u>375,250</u>	<u>95,103</u>	<u>78,310</u>	<u>475,556</u>	<u>453,560</u>
Expenses:						
General government	85,326	75,362	-	-	85,326	75,362
Public safety	158,137	144,875	-	-	158,137	144,875
Physical environment	22,771	16,740	-	-	22,771	16,740
Transportation	29,413	29,170	-	-	29,413	29,170
Economic environment	4,288	4,155	-	-	4,288	4,155
Human services	10,302	6,871	-	-	10,302	6,871
Culture and recreation	22,873	20,136	-	-	22,873	20,136
Interest and fiscal charges on long-term debt	3,328	3,605	-	-	3,328	3,605
Water	-	-	21,074	20,004	21,074	20,004
Sewer	-	-	17,241	16,366	17,241	16,366
Solid waste	-	-	29,495	24,841	29,495	24,841
Airport	-	-	4,406	4,349	4,406	4,349
Golf Course	-	-	2,113	1,841	2,113	1,841
Total expenses	<u>336,438</u>	<u>300,914</u>	<u>74,329</u>	<u>67,401</u>	<u>410,767</u>	<u>368,315</u>
Change in net position before transfers	44,015	74,336	20,774	10,909	64,789	85,245
Transfers	53	(914)	(53)	914	-	-
Change in net position	44,068	73,422	20,721	11,823	64,789	85,245
Net position-beginning	<u>533,086</u>	<u>459,664</u>	<u>317,504</u>	<u>305,681</u>	<u>850,590</u>	<u>765,345</u>
Net position-ending	<u>\$ 577,154</u>	<u>\$ 533,086</u>	<u>\$ 338,225</u>	<u>\$ 317,504</u>	<u>\$ 915,379</u>	<u>\$ 850,590</u>

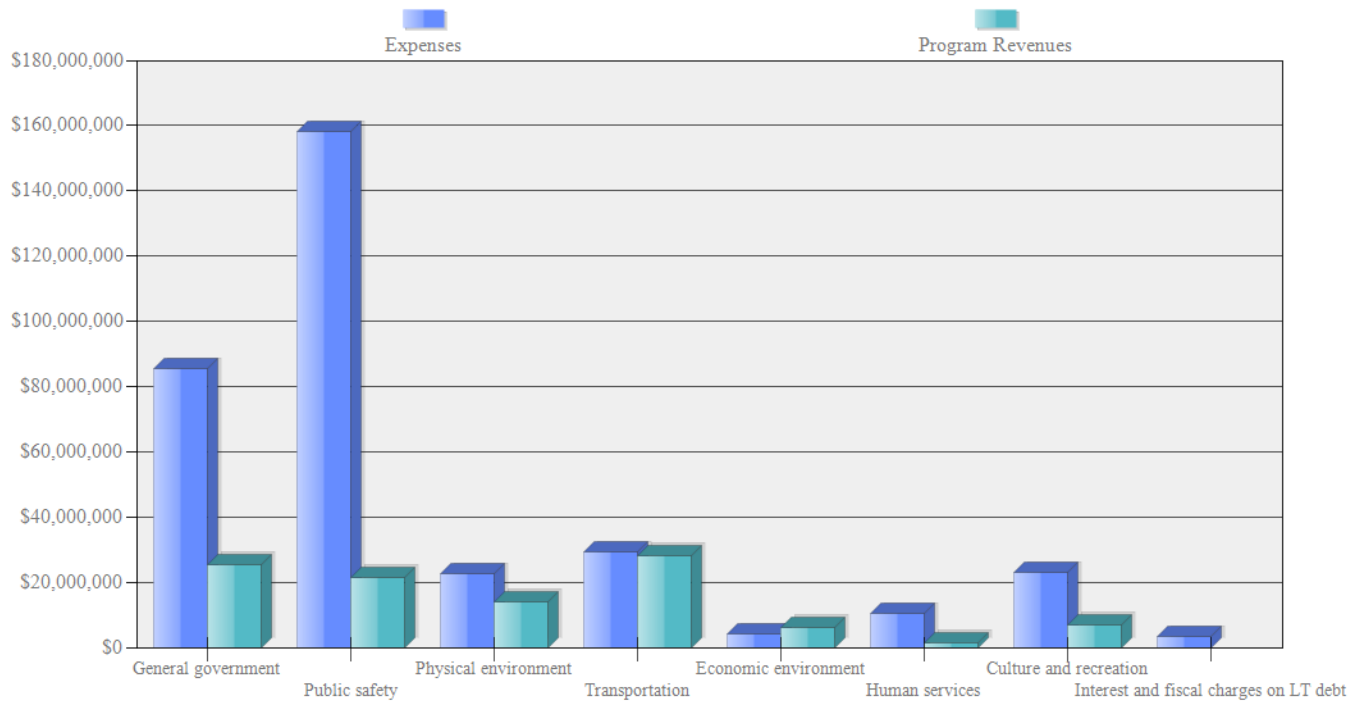
Significant year over year differences in Changes in Net Position are as follows:

Governmental Activities:

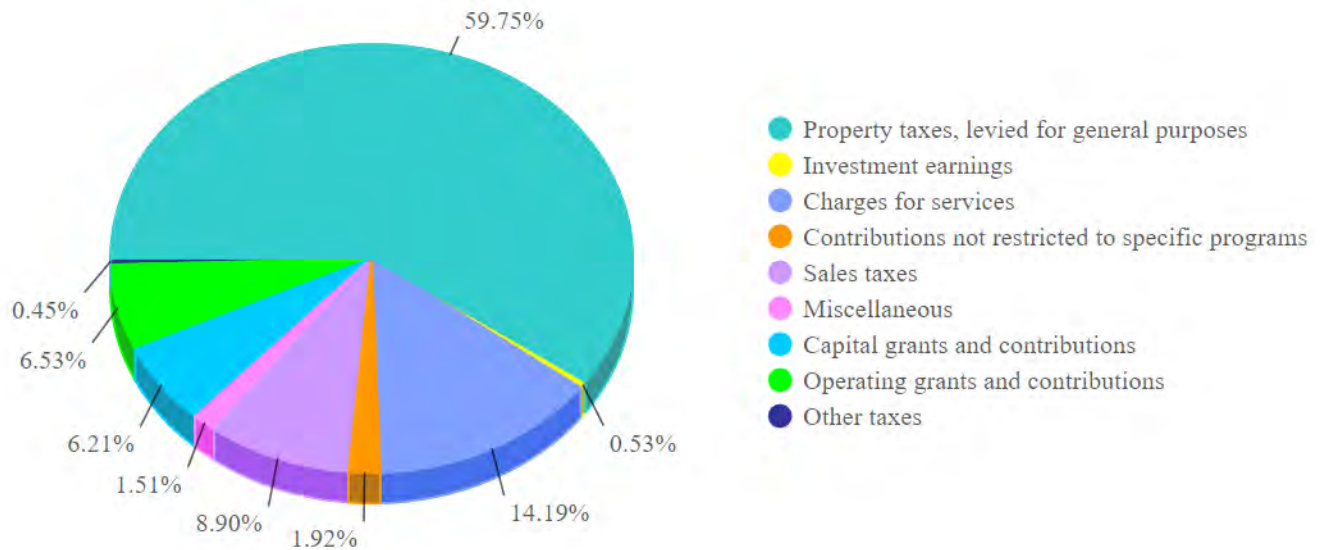
- Charges for services increased \$0.311 million, or 0.58%. Primary increases in charges for services were \$0.852 million in transportation and \$1.691 million in public safety. These were offset by decreases of \$2.004 million in general government charges, \$1.211 million in building permits, and \$0.931 million in impact fees.

- Operating grants and contributions decreased \$16.366 million, or 39.56%, due to various grants in the prior year, mainly attributable to an decrease of \$23.071 million in CARES funding. This was in addition to other water restoration and environmental grants, communication system grants, and housing grants.
- Capital grants and contributions increased \$4.928 million, or 26.16%, due to new grant funds such as \$3.6 million in transportation grants, and continued grants for coastal management and beach renourishment.
- Property taxes increased by \$11.462 million, or 5.26%, due to increased taxable property valuation. The total Countywide average millage rate, which includes regional millage rates, decreased from 10.3651 in fiscal year 2021 to 10.3538 in 2022. The taxable property valuation increased 5.33% from last year's property valuation.
- Other revenues decreased \$0.263 million, or 5.06%. Miscellaneous revenues saw a \$1.546 million increase, or 36.37%. Investment earnings were up \$1.064 million year-to-year; however, there was an unrealized decrease of \$2.873 million in fair value of investments due to market fluctuations in 2022.
- General government expenses increased by \$9.964 million, or 13.22%. This increase is primarily from the change in the Net Pension Liability adjustment.
- Public safety expenses increased by \$13.262 million, or 9.15%. This increase is also primarily from the change in the Net Pension Liability adjustment in addition to capital outlay expenditures related to four new fire stations.
- Physical environment expenses increased by \$6.031 million, or 36.03%, due to Bathtub Beach and St. Lucie Inlet beach renourishment projects.
- Economic environment expenses increased by \$0.133 million, or 3.20% due mostly to an \$0.133 million increase in tourism projects.

Expenses and Program Revenues Governmental Activities



Revenues by Source Governmental Activities



Business-type Activities:

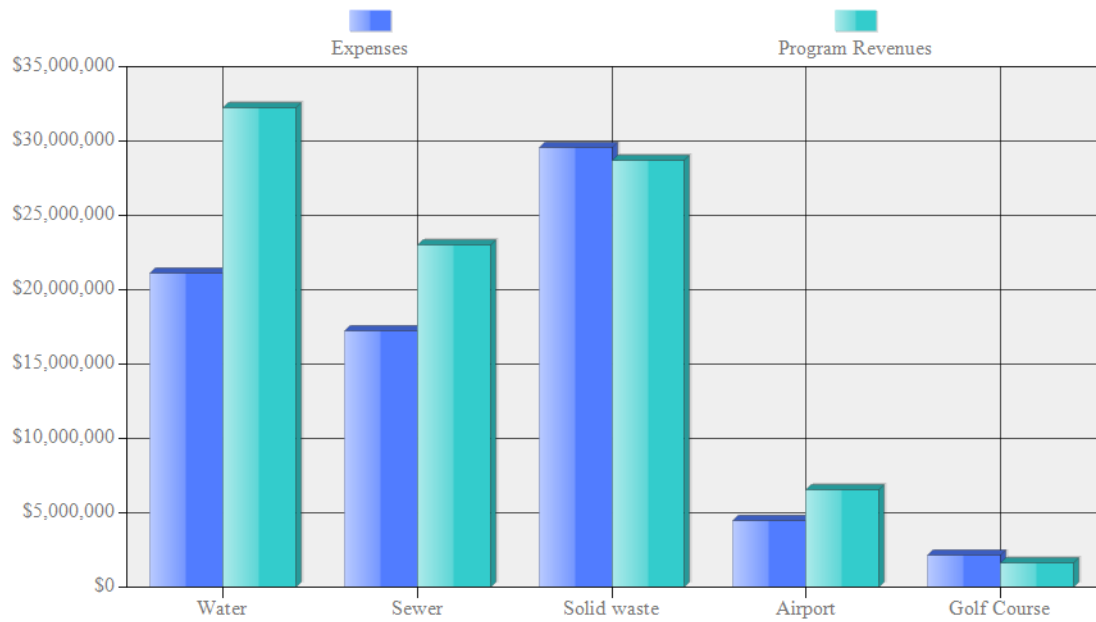
Water/Sewer Utilities:

- Total net position increased by \$18.718 million in fiscal year 2022. Net investment in capital assets for fiscal year 2022 increased \$13.036 million, or 6.67%, compared to 2021, due to an increase in capital asset additions for the septic to sewer program and other capital projects. Unrestricted net position increased \$2.317 million, or 6.41%, in fiscal year 2022 due to higher revenues for new septic to sewer conversions.
- Long-term liabilities in fiscal year 2022 increased \$1.206 million, or 1.81%, due to an additional State Revolving Fund Loan.
- Total operating revenues reflect a 5.54% increase of \$2.173 million in fiscal year 2022 compared to 2021, due to ongoing additional connections and sewer customers added with the septic to sewer program.
- Capital grants and contributions increased \$9.873 million in fiscal year 2022 from 2021 due to infrastructure improvements and capital facility charges.
- Operating expenses, excluding depreciation and amortization, increased by \$1.455 million or 7.47% from fiscal year 2021. The increase was due to rising energy, material, and health costs.

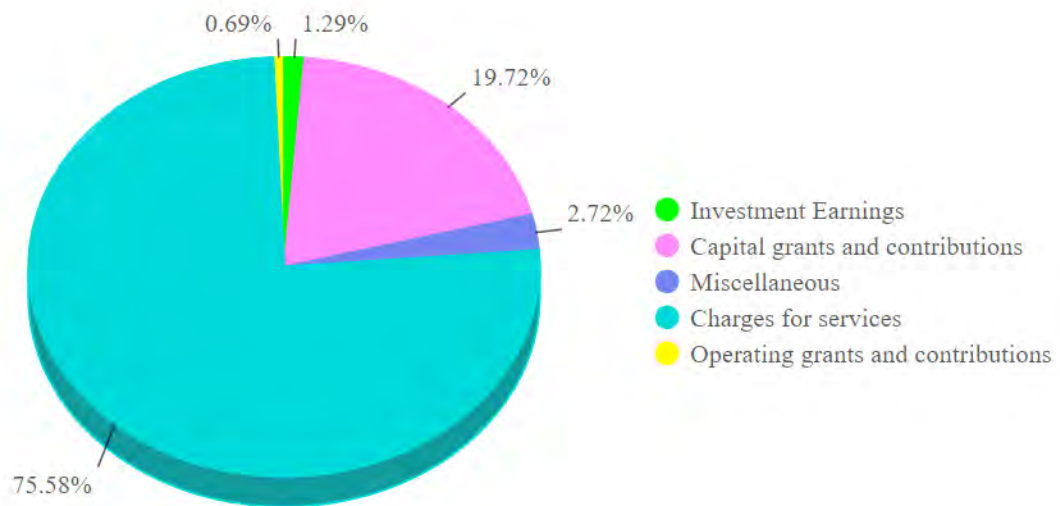
Solid Waste:

- Net position increased by \$0.011 million in fiscal year 2022. Net investment in capital assets for fiscal year 2022 reflects an increase of \$2.437 million compared to fiscal year 2021. Unrestricted net position decreased a nominal \$2.427 million to \$11.867 million. Operating levels remained fairly steady in fiscal year 2022.
- Total operating revenues reflect a \$4.679 million, or 18.99%, increase in fiscal year 2022 as compared to fiscal year 2021, due to increased charges for solid waste services.
- Operating expenses increased by \$4.654 million, or 18.74%, in fiscal year 2022 as compared to fiscal year 2021, 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, 2022, the County's governmental funds reported combined ending fund balances of \$231.959 million. Of this total, \$39.549 million, or 17.05%, 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 (\$1.831 million); 2) restricted funds for debt service, grants, federal and state programs, court operations, and other restricted purposes (\$68.231 million); 3) funds committed to purposes determined by the Board of County Commissioners (\$70.481 million); and 4) funds assigned to a variety of other predetermined purposes (\$51.867 million).

The general fund is the primary operating fund of the County. As of September 30, 2022, the total fund balance in this fund was \$67.857 million, while the unassigned fund balance was \$60.415 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 34.01% of total general fund expenditures, while the total fund balance represents 38.20% of that same amount.

In fiscal year 2022 the fund balance in the County's general fund increased by \$5.182 million. The fund balance increase was mostly a result of an additional \$7.422 million in tax collections. Additional tax collections were realized due to property tax increases from a 5.33% increase in property valuation over last year.

The fund balance for Consolidated Fire/EMS decreased to \$9.142 million, a decrease of \$3.472 million, due to \$3.016 million general cost increases in public safety and \$1.047 million capital outlay related to replacing fire stations and equipment. Revenues increased by \$2.965 million over the prior year, while expenditures increased by \$4.288 million, resulting in a fund balance reduction. Revenues net of expenditures produced an excess of revenues over expenditures of \$0.552 million.

The Federal Grants fund balance decreased \$9.296 million. This net decrease resulted from a decrease in intergovernmental revenues of \$20.519 million attributed to CARES and ARPA funding and increases in expenditures of \$11.277 million from major road and infrastructure replacement.

The Other State Grants fund balance decreased \$4.508 million. Revenues net of expenses produces deficiency of revenues under expenditures of \$10.310 million, an additional \$2.880 million deficiency from last year. Revenues increased by \$0.644 million while expenditures increased by \$3.524 million year over year, contributing to the decrease in net change in fund balance. Increased expenditures were mainly related to Phipps Park projects and St. Lucie Inlet dredging. The Other State Grants fund's share of local intergovernmental revenue increased \$0.643 million. Activity has remained fairly consistent with the prior year.

The County Buildings fund balance decreased \$14.914 million to \$38.890 million, as total expenditures increased \$6.539 million, including a capital outlay increase of \$4.977 million related to contractual services for fixed asset replacement and professional services for the St. Lucie Inlet project, environmental wetlands, and new fire stations.

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 \$24.035 million increase in budgeted expenditures between the FY22 original budget and final amended budget for the general fund resulting from various general government, public safety, culture and recreation, and capital outlay increases. The general government and public safety budgets increased \$4.321 million and \$7.312 million over many areas, such as salaries and outside services. The capital outlay budget increased \$10.044 million. Budgeted revenues were increased \$3.743 million primarily due to a \$2.125 million increase in intergovernmental revenues from additional anticipated reimbursable projects.

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

- Actual tax revenues were \$1.851 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 99.91% of the required budgeted amount.
- Actual intergovernmental revenues were \$6.431 million over the final budget, as a result of the fluid nature of multiple outside grant and revenue funding sources.
- Actual general government expenditures are reporting a variance of \$6.937 million less than budgeted, and actual public safety expenditures are reporting a variance of \$7.971 million less than budgeted. The variance is related to decreased expenditures in COVID projects and savings on the renegotiated Lifestar contract. Total expenditures were \$19.755 million favorable, a 10.01% favorable variance. Some of the larger final budget to actual favorable variances were savings on the Lifestar contract.
- The general fund actual capital outlay expenditures were \$4.786 million lower than the final budget due to supply chain issues.

Capital Assets and Debt Administration

As of September 30, 2022, the County's capital assets for its governmental and business-type activities amounts to \$1,063.783 million (net of accumulated depreciation). These capital assets include land, buildings, improvements, equipment, park facilities, roads, bridges, sidewalks, intangible assets, and right of use assets. The total County capital assets for the current fiscal year increased \$37.571 million, or 3.66%; governmental activities increased \$31.936 million, and business-type activities increased \$5.635 million.

Martin County's Capital Assets
(in thousands)

	2022	2021	2022	2021	2022	2021
	Governmental	Governmental	Business-type	Business-type	Government-wide	Government-wide
	Activities	Activities	Activities	Activities	Total	Total
Land and land use rights	\$ 228,477	\$ 221,320	\$ 17,557	\$ 15,979	\$ 246,034	\$ 237,299
Land improvements	69,211	67,659	51,423	48,139	120,634	115,798
Buildings and systems	219,397	218,011	168,051	166,192	387,448	384,203
Machinery & equipment	150,442	142,026	312,278	287,649	462,720	429,675
Infrastructure	630,217	623,651	-	-	630,217	623,651
Construction in progress	107,359	67,324	16,342	23,531	123,701	90,855
Other improvements and intangible assets	19,617	18,652	9,475	8,961	29,092	27,613
Right of use assets	2,445	-	-	-	2,445	-
Less: accumulated depreciation and amortization	(668,381)	(631,795)	(270,127)	(251,087)	(938,508)	(882,882)
Total	<u>\$ 758,784</u>	<u>\$ 726,848</u>	<u>\$ 304,999</u>	<u>\$ 299,364</u>	<u>\$ 1,063,783</u>	<u>\$ 1,026,212</u>

Major capital asset additions in the governmental funds included:

- Heritage Ridge Resurfacing \$ 2.9 million
- Tropical Farms Restoration \$ 2.4 million
- Stuart Beach Renovations \$ 1.4 million
- Fire Trucks \$ 1.2 million
- Port Salerno Elementary School Sidewalk \$ 0.9 million
- Blake Library Outdoor Space \$ 0.5 million
- Indiantown Health Department Building \$ 0.4 million
- Chastain Bathroom Renovations \$ 0.3 million

Major capital additions to the enterprise funds included:

- Golden Gate Septic to Sewer \$ 8.4 million
- Tropical Farms Water Plant \$ 5.6 million
- Grinder Connect Program \$ 3.3 million
- Airport Hazard Fence \$ 2.5 million
- Dixie Park Repump Station \$ 2.4 million
- Recycling Facility Relocation \$ 1.5 million
- Airport Facility Improvements \$ 0.6 million
- Dixie Highway and Cove Road Force Mains \$ 0.6 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)**

	2022	2021	2022	2021	2022	2021
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Government-wide Total	Government-wide Total
Compensated absences	\$ 17,853	\$ 16,939	\$ 876	\$ 805	\$ 18,729	\$ 17,744
Long-term leases	1,878	-	-	-	1,878	-
Finance purchase agreements	24,692	28,488	-	-	24,692	28,488
Revenue bonds/notes	68,050	80,599	45,850	50,580	113,900	131,179
Landfill closure cost	-	-	8,150	8,386	8,150	8,386
Other long-term debt	4,207	4,669	12,725	9,449	16,932	14,118
Total	<u>\$ 116,680</u>	<u>\$ 130,695</u>	<u>\$ 67,601</u>	<u>\$ 69,220</u>	<u>\$ 184,281</u>	<u>\$ 199,915</u>

Long-term obligations: At the end of the current fiscal year, the County had total outstanding bonded debt in the amount of \$113.900 million. This amount represents bonds secured solely by specified revenue sources (revenue bonds).

During fiscal year ended September 30, 2022, the County's overall total long-term obligations decreased by \$15.634 million, or 7.82%. Separately, governmental total long-term obligations decreased by \$14.015 million, or 10.72%, while business-type long-term obligations decreased by \$1.619 million, or 2.34%.

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 2022 and 2021 was 5.54% and 4.51%, respectively.

The County's bond ratings as of September 30, 2022, 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 7 through 9 of the financial statements.

Economic Factors

As of July 1, 2022, the County's total taxable values equaled \$25.1 billion, a 5.33% increase as compared to \$23.8 billion in the prior year. The total County-wide average millage, which includes an average for regional MSTU rates, for 2022 is adopted at 10.3538 mills, a decrease of 0.11% from 10.3651 mills in 2021.

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, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 32,472,937	\$ 319,128	\$ 32,792,065
Restricted cash and cash equivalents	1,387,354	2,269,368	3,656,722
Investments	249,657,830	64,662,167	314,319,997
Restricted investments	-	6,744,043	6,744,043
Accounts and assessments receivables	4,807,331	7,131,559	11,938,890
Lease receivables, current	31,565	210,217	241,782
Interest receivable	2,499	2,849	5,348
Receivable from other governmental agencies	38,494,419	1,284,294	39,778,713
Inventories	1,866,949	2,341,570	4,208,519
Internal balances	(440,446)	440,446	-
Assets held for resale or donation	36,300	113,400	149,700
Other current assets	126,581	1,650	128,231
Total current assets	328,443,319	85,520,691	413,964,010
Noncurrent assets:			
Restricted investments	-	19,813,005	19,813,005
Restricted due from other governmental units	-	150,000	150,000
Restricted special assessment notes receivable	-	11,118,883	11,118,883
Lease receivables, less current portion	256,052	985,253	1,241,305
Total restricted assets	256,052	32,067,141	32,323,193
Special assessment notes receivable, less current portion	-	4,227,790	4,227,790
Capital assets:			
Land and land use rights - permanent	228,477,259	17,557,414	246,034,673
Land improvements	69,210,668	51,423,358	120,634,026
Buildings and improvements	219,396,947	168,051,272	387,448,219
Infrastructure	630,217,552	-	630,217,552
Equipment	150,441,581	312,277,696	462,719,277
Construction in progress	107,359,318	16,341,826	123,701,144
Intangible - goodwill	-	6,747,420	6,747,420
Intangible - land use rights - temporary	5,716,856	-	5,716,856
Intangible - software	13,900,413	2,727,323	16,627,736
Right of use buildings	1,083,130	-	1,083,130
Right of use equipment	1,362,013	-	1,362,013
Less accumulated depreciation and amortization	(668,381,179)	(270,126,786)	(938,507,965)
Capital assets, net	758,784,558	304,999,523	1,063,784,081
Total noncurrent assets	759,040,610	341,294,454	1,100,335,064
Total assets	1,087,483,929	426,815,145	1,514,299,074
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding debt	401,471	2,723,956	3,125,427
Pension	58,676,883	2,284,016	60,960,899
Other postemployment benefits	24,152,639	699,708	24,852,347
Total deferred outflows of resources	83,230,993	5,707,680	88,938,673

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	15,177,276	9,931,530	25,108,806
Accrued wages payable	2,212,486	236,314	2,448,800
Contracts payable	2,291,121	-	2,291,121
Due to other governmental agencies	29,672,378	-	29,672,378
Accrued interest payable	894,016	7,134	901,150
Unearned revenue	-	296,654	296,654
Deposits and other liabilities	360,020	-	360,020
Current portion of long term obligations	18,161,530	6,655,223	24,816,753
	<u>68,768,827</u>	<u>17,126,855</u>	<u>85,895,682</u>
Payable from restricted assets:			
Deposits and other liabilities	-	1,295,497	1,295,497
Contracts payable	-	1,398,765	1,398,765
	<u>-</u>	<u>2,694,262</u>	<u>2,694,262</u>
Total current liabilities	<u>68,768,827</u>	<u>19,821,117</u>	<u>88,589,944</u>
Noncurrent liabilities:			
Noncurrent portion of long term obligations	98,518,133	60,945,615	159,463,748
Other postemployment benefits liability	177,474,826	3,115,974	180,590,800
Net pension liability	211,750,350	8,381,685	220,132,035
Total noncurrent liabilities	<u>487,743,309</u>	<u>72,443,274</u>	<u>560,186,583</u>
Total liabilities	<u>556,512,136</u>	<u>92,264,391</u>	<u>648,776,527</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	13,934,719	431,787	14,366,506
Other postemployment benefits	22,826,796	495,316	23,322,112
Leases	287,407	1,105,730	1,393,137
Total deferred inflows of resources	<u>37,048,922</u>	<u>2,032,833</u>	<u>39,081,755</u>
NET POSITION			
Net investment in capital assets	674,040,518	257,249,448	931,289,966
Restricted:			
Permanent fund - nonexpendable	22,670	-	22,670
Recreation projects	5,118,248	-	5,118,248
Public safety	8,487,773	-	8,487,773
Housing grants and other	22,250,952	-	22,250,952
Debt service	1,595,688	200,663	1,796,351
Capital projects - county buildings	16,196,797	-	16,196,797
Capital projects - transportation projects	22,047,127	-	22,047,127
Capital projects - recreation projects	1,039,432	-	1,039,432
Capital projects - water/sewer projects	-	27,650,349	27,650,349
Airport noise mitigation program	-	113,400	113,400
Clerk of Courts - court operations	2,411,963	-	2,411,963
Permanent fund - expendable	13,603	-	13,603
Unrestricted (deficit)	(176,070,907)	53,011,741	(123,059,166)
Total net position	<u>\$ 577,153,864</u>	<u>\$ 338,225,601</u>	<u>\$ 915,379,465</u>

Martin County, Florida
Statement of Activities
For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 85,325,812	\$ 19,482,273	\$ 5,883,239	\$ 102,482
Public safety	158,136,849	16,609,532	4,570,134	207,027
Physical environment	22,771,324	15,119	3,076,734	10,702,330
Transportation	29,412,843	13,802,036	2,263,924	12,106,760
Economic environment	4,288,422	7,862	6,213,848	-
Human services	10,301,735	104,073	1,294,033	-
Culture and recreation	22,873,413	4,343,763	1,704,226	650,597
Interest and fiscal charges on long-term debt	3,327,847	-	-	-
Total governmental activities	336,438,245	54,364,658	25,006,138	23,769,196
Business-type activities:				
Water	21,074,107	21,749,160	110,000	10,317,627
Sewer	17,241,291	17,794,768	90,000	5,081,816
Solid waste	29,494,994	28,638,951	43,456	-
Airport	4,405,569	2,595,806	413,774	3,494,080
Golf Course	2,113,005	1,617,717	-	-
Total business-type activities	74,328,966	72,396,402	657,230	18,893,523
Total	\$ 410,767,211	\$ 126,761,060	\$ 25,663,368	\$ 42,662,719

GENERAL REVENUES:

TAXES:

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

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (59,857,818)	\$ -	\$ (59,857,818)
(136,750,156)	-	(136,750,156)
(8,977,141)	-	(8,977,141)
(1,240,123)	-	(1,240,123)
1,933,288	-	1,933,288
(8,903,629)	-	(8,903,629)
(16,174,827)	-	(16,174,827)
(3,327,847)	-	(3,327,847)
(233,298,253)	-	(233,298,253)
-	11,102,680	11,102,680
-	5,725,293	5,725,293
-	(812,587)	(812,587)
-	2,098,091	2,098,091
-	(495,288)	(495,288)
-	17,618,189	17,618,189
(233,298,253)	17,618,189	(215,680,064)

229,168,584	-	229,168,584
34,107,017	-	34,107,017
1,730,964	-	1,730,964
7,370,554	-	7,370,554
2,012,140	1,233,554	3,245,694
(2,873,737)	(687,067)	(3,560,804)
5,797,255	2,609,612	8,406,867
53,060	(53,060)	-
277,365,837	3,103,039	280,468,876
44,067,584	20,721,228	64,788,812
533,086,280	317,504,373	850,590,653
\$ 577,153,864	\$ 338,225,601	\$ 915,379,465

Martin County, Florida
Balance Sheet
Governmental Funds
September 30, 2022

	General Fund	Consolidated Fire/EMS	Federal Grants	Other State Grants	County Buildings	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 8,762,942	\$ 970,609	\$ 193,308	\$ 2,062,373	\$ 248,304	\$ 12,289,217	\$ 24,526,753
Cash with fiscal agent	-	993,854	-	-	-	-	993,854
Investments	49,045,492	7,539,990	18,650,204	405	41,473,642	126,478,503	243,188,236
Accounts receivable	750,570	322,030	-	-	10	53,619	1,126,229
Assessments receivable	-	-	-	-	-	2,498,638	2,498,638
Leases receivable	287,617	-	-	-	-	-	287,617
Accrued interest receivable - leases	2,499	-	-	-	-	-	2,499
Due from other funds	11,390,342	-	2,327	40	-	822,946	12,215,655
Due from other governmental agencies	6,610,835	59,387	13,058,295	10,130,471	24,211	8,606,429	38,489,628
Inventories	493,599	426,450	-	-	-	765,515	1,685,564
Assets held for resale or donation	-	-	-	-	-	36,300	36,300
Prepaid items	59,428	-	28,011	-	-	35,142	122,581
Total assets	\$77,403,324	\$ 10,312,320	\$ 31,932,145	\$ 12,193,289	\$ 41,746,167	\$ 151,586,309	\$ 325,173,554
Liabilities							
Accounts payable	\$ 2,765,394	\$ 272,382	\$ 3,091,017	\$ 512,157	\$ 1,787,056	\$ 4,471,472	\$ 12,899,478
Accrued wages payable	804,877	858,959	163,493	3,197	8,127	361,902	2,200,555
Contracts payable - retainage	147,756	5,040	378,818	-	467,274	1,292,233	2,291,121
Due to other funds	480,275	-	20,331	11,503,082	32,819	672,510	12,709,017
Due to other governmental agencies	2,155,463	-	26,757,182	-	561,376	198,357	29,672,378
Deposits and other liabilities	360,020	-	-	-	-	-	360,020
Total liabilities	6,713,785	1,136,381	30,410,841	12,018,436	2,856,652	6,996,474	60,132,569
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	2,544,813	33,662	12,862,007	9,446,947	-	7,907,207	32,794,636
Leases	287,407	-	-	-	-	-	287,407
Total deferred inflows of resources	2,832,220	33,662	12,862,007	9,446,947	-	7,907,207	33,082,043
FUND BALANCES							
Nonspendable:							
Inventories and assets held for resale	493,599	426,450	-	-	-	765,515	1,685,564
Permanent fund principal	-	-	-	-	-	22,670	22,670
Prepaid items	59,428	-	28,011	-	-	35,142	122,581
Restricted for:							
Bond covenants or debt service	-	-	-	-	-	1,595,687	1,595,687
Culture and recreation projects	-	-	-	-	-	5,118,248	5,118,248
Public safety	-	-	-	-	-	8,414,373	8,414,373
Housing grants and other	355,730	-	2,312	40	621,190	4,611,871	5,591,143
Court operations	439,246	-	-	-	-	2,195,054	2,634,300
Capital projects	-	-	-	-	16,196,797	22,065,593	38,262,390
Other restricted purposes	-	-	-	-	-	6,614,654	6,614,654
Committed to:							
Ordinance/MSTU/Other	-	8,715,827	-	-	-	50,171,776	58,887,603
Ordinance/Judicial	-	-	-	-	-	523,632	523,632
Ordinance/Culture and recreation	-	-	-	-	-	62,767	62,767
Ordinance/CRA	-	-	-	-	-	9,715,428	9,715,428
Ordinance/Economic Development	-	-	-	-	-	1,291,431	1,291,431
Assigned to:							
Capital projects	777,957	-	-	-	-	18,633,138	19,411,095
OPEB	4,429,372	-	-	-	-	-	4,429,372
Disaster recovery	887,353	-	-	-	-	-	887,353
Other assigned purposes	-	-	-	-	22,071,528	5,067,698	27,139,226
Unassigned:	60,414,634	-	(11,371,026)	(9,272,134)	-	(222,049)	39,549,425
Total fund balances	67,857,319	9,142,277	(11,340,703)	(9,272,094)	38,889,515	136,682,628	231,958,942
Total liabilities, deferred inflows and fund balances	\$77,403,324	\$ 10,312,320	\$ 31,932,145	\$ 12,193,289	\$ 41,746,167	\$ 151,586,309	\$ 325,173,554

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, 2022

Fund Balances - total governmental funds	\$ 231,958,942
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	82,829,522
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:	
Capital Assets	1,419,388,147
Accumulated depreciation	(663,575,365)
Right of use assets	2,445,143
Accumulated amortization	(558,798)
	<u>757,699,127</u>
Certain grant revenues and other miscellaneous revenues which do not provide current financial resources are reported as unavailable in the governmental funds.	32,794,636
Deferred inflows of resources related to Pensions and OPEB are recorded in the Statement of Net Position.	(36,761,515)
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	(17,797,837)
Financed purchase agreements and leases	(26,569,501)
Accrued interest on bonds, notes, and leases	(894,016)
Revenue bonds	(35,260,000)
Revenue notes	(32,789,934)
Deferred amount on refunding	401,471
Unamortized bond premium	(4,206,906)
Other postemployment benefits liabilities	(177,474,826)
Net pension liabilities	(211,750,350)
Total long term obligations	<u>(506,341,899)</u>
Internal service funds used by management	<u>14,975,051</u>
Net position of governmental activities	<u>\$ 577,153,864</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, 2022

	General Fund	Consolidated Fire/EMS	Federal Grants	Other State Grants	County Buildings	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 137,034,542	\$ 49,966,893	\$ -	\$ -	\$ 13,201,672	\$ 43,334,525	\$ 243,537,632
Permits, fees and special assessments	1,355,637	-	-	-	146,046	22,627,103	24,128,786
Intergovernmental revenues	24,804,443	360,163	11,255,503	2,974,984	127,106	17,371,013	56,893,212
Charges for services	14,904,618	9,176,784	-	-	-	5,429,023	29,510,425
Fines and forfeitures	1,397,640	-	-	-	118,017	464,357	1,980,014
Interest income	714,898	122,155	942	1,046	307,083	866,049	2,012,173
Net change in fair value of investments	(1,402,327)	(148,226)	-	(3)	(382,350)	(940,832)	(2,873,738)
Contributions - private sources & donations	115,858	4,574	-	-	30,748	2,504,598	2,655,778
Interest income from leases	9,152	-	-	-	-	-	9,152
Miscellaneous revenues	8,440,125	85,941	-	-	39,539	1,501,027	10,066,632
Total revenues	187,374,586	59,568,284	11,256,445	2,976,027	13,587,861	93,156,863	367,920,066
EXPENDITURES							
Current:							
General government	60,443,765	3,749,541	1,147,851	589,892	1,472,955	7,336,428	74,740,432
Public safety	85,441,147	50,200,456	801,137	105,019	181,603	11,456,945	148,186,307
Physical environment	877,917	-	310,882	11,117,039	959,748	6,720,595	19,986,181
Transportation	611,497	-	1,213,086	668,628	680,975	11,170,660	14,344,846
Economic environment	326,995	-	816	-	-	3,861,059	4,188,870
Human services	2,547,337	-	4,125,758	50,519	-	3,482,564	10,206,178
Culture and recreation	14,792,789	-	68,292	56,172	978,546	3,726,582	19,622,381
Capital outlay	10,947,267	3,650,397	12,967,162	699,004	23,954,667	15,911,947	68,130,444
Debt service:							
Principal	1,473,151	1,287,555	-	-	1,838,576	12,627,778	17,227,060
Interest	188,600	121,932	-	-	410,577	3,060,837	3,781,946
Other debt service costs	3,780	6,300	-	-	-	63,763	73,843
Total expenditures	177,654,245	59,016,181	20,634,984	13,286,273	30,477,647	79,419,158	380,488,488
Excess (deficiency) of revenues over (under) expenditures	9,720,341	552,103	(9,378,539)	(10,310,246)	(16,889,786)	13,737,705	(12,568,422)
OTHER FINANCING SOURCES (USES)							
Payments to refunding agent	-	-	-	-	-	(11,857,000)	(11,857,000)
Issuance of debt	253,298	-	-	-	-	11,936,000	12,189,298
Issuance of long term leases	2,267,383	-	-	-	160,535	-	2,427,918
Transfers in	4,092,228	-	102,704	5,802,366	2,056,088	16,193,535	28,246,921
Transfers out	(11,151,236)	(4,023,562)	(20,331)	-	(240,811)	(14,628,899)	(30,064,839)
Total other financing sources (uses)	(4,538,327)	(4,023,562)	82,373	5,802,366	1,975,812	1,643,636	942,298
Net change in fund balances	5,182,014	(3,471,459)	(9,296,166)	(4,507,880)	(14,913,974)	15,381,341	(11,626,124)
Fund balances - beginning	62,675,305	12,613,736	(2,044,537)	(4,764,214)	53,803,489	121,301,287	243,585,066
Fund balances - ending	\$ 67,857,319	\$ 9,142,277	\$ (11,340,703)	\$ (9,272,094)	\$ 38,889,515	\$ 136,682,628	\$ 231,958,942

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, 2022

Net change in fund balances - total governmental funds \$ (11,626,124)

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	68,130,444
Depreciation expense	(37,849,010)
Amortization expense	(558,798)

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.

Loan proceeds	(12,189,298)
Principal payments for financed purchase agreements and leases	4,599,282
Principal payments for loans and notes	12,627,778
Payments to refunding agent	11,857,000
Deferred amount on refunding	(100,367)
Deferred amount of bond premium	462,573
Lease financing proceeds	(2,427,918)

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	(913,310)
Pension expense	(3,318,698)
Accrued interest on long term debt (net of prior year accrual)	165,735

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 \$3,001,657 less accumulated depreciation of \$2,251,954	(749,703)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Donated property ~ Sheriff	172,881
Donated property ~ Board of Commissioners	2,920,144

Some revenues reported in the Statement of Activities are not reported in the governmental funds because they have no effect on current financial resources.

14,594,226

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.	667,069

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.

(2,396,322)

Change in net position of governmental activities	<u>\$ 44,067,584</u>

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

Martin County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Taxes	\$ 135,183,082	\$ 135,183,082	\$ 137,034,542	\$ 1,851,460
Permits, fees and special assessments	850,000	850,000	1,355,637	505,637
Intergovernmental revenues	16,248,158	18,373,024	24,804,443	6,431,419
Charges for services	15,812,369	15,792,781	14,904,618	(888,163)
Fines and forfeitures	1,431,425	1,443,536	1,397,640	(45,896)
Interest income	214,768	212,148	714,898	502,750
Net change in fair value of investments	-	-	(1,402,327)	(1,402,327)
Contributions - private sources & donations	1,997,320	2,157,711	115,858	(2,041,853)
Miscellaneous revenues	5,650,517	7,118,502	8,440,125	1,321,623
Interest income from leases	-	-	9,152	9,152
Statutory budget reduction	(500,000)	(500,000)	-	500,000
Total revenues	176,887,639	180,630,784	187,374,586	6,743,802
EXPENDITURES				
Current:				
General government	63,059,725	67,380,668	60,443,765	6,936,903
Public safety	86,100,020	93,412,413	85,441,147	7,971,266
Physical environment	613,273	913,273	877,917	35,356
Transportation	1,281,715	1,181,728	611,497	570,231
Economic environment	379,640	394,600	326,995	67,605
Human services	2,656,507	2,723,645	2,547,337	176,308
Culture and recreation	13,588,711	15,664,751	14,792,789	871,962
Capital outlay	5,689,640	15,733,483	10,947,267	4,786,216
Debt service:				
Principal	-	-	1,473,151	(1,473,151)
Interest	-	-	188,600	(188,600)
Other debt service costs	4,500	4,500	3,780	720
Total expenditures	173,373,731	197,409,061	177,654,245	19,754,816
Excess (deficiency) of revenues over (under) expenditures	3,513,908	(16,778,277)	9,720,341	26,498,618
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	253,298	253,298
Transfers in	751,183	3,525,880	4,092,228	566,348
Transfers out	(5,268,548)	(11,709,044)	(11,151,236)	557,808
Issuance of long term leases	-	-	2,267,383	2,267,383
Reserves	(17,746,227)	(36,615,478)	-	36,615,478
Total other financing sources (uses)	(22,263,592)	(44,798,642)	(4,538,327)	40,260,315
Net change in fund balances	\$ (18,749,684)	\$ (61,576,919)	\$ 5,182,014	\$ 66,758,933
Fund balances - beginning	18,749,684	61,576,919	62,675,305	
Fund balances - ending	\$ -	\$ -	\$ 67,857,319	

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 49,305,592	\$ 49,305,592	\$ 49,966,893	\$ 661,301
Intergovernmental revenues	125,000	125,000	360,163	235,163
Charges for services	7,567,401	7,567,401	9,176,784	1,609,383
Interest income	75,000	75,000	122,155	47,155
Net change in fair value of investments	-	-	(148,226)	(148,226)
Contributions - private sources & donations	-	-	4,574	4,574
Miscellaneous revenues	41,000	41,000	85,941	44,941
Statutory budget reduction	(50,000)	(50,000)	-	50,000
Total revenues	57,063,993	57,063,993	59,568,284	2,504,291
EXPENDITURES:				
Current:				
General government	2,796,025	2,866,025	3,749,541	(883,516)
Public safety	46,105,884	51,381,264	50,200,456	1,180,808
Capital outlay	863,000	6,766,423	3,650,397	3,116,026
Debt service:				
Principal	1,587,935	1,337,935	1,287,555	50,380
Interest	121,934	121,934	121,932	2
Other debt service costs	7,600	7,600	6,300	1,300
Total expenditures	51,482,378	62,481,181	59,016,181	3,465,000
Excess (deficiency) of revenues over (under) expenditures	5,581,615	(5,417,188)	552,103	5,969,291
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,919,767)	(4,040,027)	(4,023,562)	16,465
Reserves	(2,661,848)	(3,255,655)	-	3,255,655
Total other financing sources (uses)	(5,581,615)	(7,295,682)	(4,023,562)	3,272,120
Net change in fund balances	-	(12,712,870)	(3,471,459)	\$ 9,241,411
Fund balances - beginning	-	12,712,870	12,613,736	
Fund balances - ending	\$ -	\$ -	\$ 9,142,277	

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Intergovernmental revenues	\$ 341,343	\$ 64,468,106	\$ 11,255,503	\$ (53,212,603)
Interest income	-	-	942	942
Total revenues	<u>341,343</u>	<u>64,468,106</u>	<u>11,256,445</u>	<u>(53,211,661)</u>
EXPENDITURES:				
Current:				
General government	341,343	5,787,585	1,147,850	4,639,735
Public safety	-	881,428	801,137	80,291
Physical environment	-	4,714,515	310,882	4,403,633
Transportation	-	5,538,945	1,213,086	4,325,859
Economic environment	-	71,330	816	70,514
Human services	-	10,544,651	4,125,758	6,418,893
Capital outlay	-	37,237,485	12,967,162	24,270,323
Total expenditures	<u>341,343</u>	<u>65,536,939</u>	<u>20,634,983</u>	<u>44,901,956</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(1,068,833)</u>	<u>(9,378,538)</u>	<u>(8,309,705)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,029,512	102,704	(926,808)
Transfers out	-	(20,332)	(20,331)	1
Reserves	-	(103,049)	-	103,049
Total other financing sources (uses)	<u>-</u>	<u>906,131</u>	<u>82,373</u>	<u>(823,758)</u>
Net change in fund balances	<u>-</u>	<u>(162,702)</u>	<u>(9,296,165)</u>	<u>\$ (9,133,463)</u>
Fund balances - beginning	<u>-</u>	<u>162,702</u>	<u>(2,044,538)</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,340,703)</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
Intergovernmental revenues	\$ -	\$ 15,693,923	\$ 2,974,984	\$ (12,718,939)
Interest income	-	-	1,046	1,046
Net change in fair value of investments	-	-	(3)	(3)
Total revenues	-	15,693,923	2,976,027	(12,717,896)
EXPENDITURES				
Current				
General government	-	1,429,090	589,892	839,198
Public safety	-	190,563	105,019	85,544
Physical environment	-	13,648,854	11,117,039	2,531,815
Transportation	-	1,471,994	668,628	803,366
Human services	-	50,519	50,519	-
Culture and recreation	-	(173,546)	56,172	(229,718)
Capital outlay	-	7,226,510	699,004	6,527,506
Total expenditures	-	23,843,984	13,286,273	10,557,711
Excess (deficiency) of revenues over				
(under) expenses	-	(8,150,061)	(10,310,246)	(2,160,185)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	8,495,337	5,802,366	(2,692,971)
Net change in fund balances	\$ -	\$ 345,276	(4,507,880)	\$ (4,853,156)
Fund balances, beginning	-	(345,276)	(4,764,214)	
Fund balances, ending	\$ -	\$ -	\$ (9,272,094)	

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

Martin County, Florida
Statement of Net Position
Proprietary Funds
September 30, 2022

	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	\$ 171,814	\$ 129,356	\$ 17,958	\$ 319,128	\$ 7,946,184
Restricted cash	2,269,368	-	-	2,269,368	393,500
Investments	41,460,526	20,659,919	2,541,722	64,662,167	6,469,594
Restricted investments	6,130,304	613,739	-	6,744,043	-
Accounts receivable	5,007,755	504,337	34,228	5,546,320	1,182,464
Advance receivable from utilities	-	681,115	-	681,115	-
Special assessments notes receivable, current	1,585,239	-	-	1,585,239	-
Leases receivable	-	-	210,217	210,217	-
Accrued interest receivable - leases	-	-	2,849	2,849	-
Due from other funds	40,960	-	-	40,960	452,402
Receivables from other governmental agencies	38,317	12,909	1,233,068	1,284,294	4,791
Inventories	2,303,720	-	37,850	2,341,570	181,385
Assets held for resale or donation	-	-	113,400	113,400	-
Prepaid items	1,500	-	150	1,650	4,000
Total current assets	59,009,503	22,601,375	4,191,442	85,802,320	16,634,320
Noncurrent assets:					
Advance receivable from utilities	-	5,239,466	-	5,239,466	-
Lease receivables	-	-	985,253	985,253	-
Restricted assets:					
Due from other governmental units	150,000	-	-	150,000	-
Investments	19,809,925	3,080	-	19,813,005	-
Special assessments notes receivable	11,118,883	-	-	11,118,883	-
Total restricted assets	31,078,808	3,080	-	31,081,888	-
Special assessment notes receivable, less current portion	4,227,790	-	-	4,227,790	-
Capital assets:					
Land and land use rights - permanent	5,974,413	3,310,005	6,875,978	16,160,396	-
Buildings	147,313,736	12,412,017	8,325,519	168,051,272	-
Equipment	9,463,817	6,976,143	1,858,053	18,298,013	5,332,447
Water distribution system	135,594,925	-	-	135,594,925	-
Sewer collection system	158,384,758	-	-	158,384,758	-
Land improvements	-	12,715,590	1,355,456	14,071,046	-
Airport improvements	-	-	37,352,312	37,352,312	-
Construction in progress	13,555,436	319,691	2,466,699	16,341,826	-
Intangible assets	10,756,713	34,972	80,076	10,871,761	-
Less accumulated depreciation	(224,936,912)	(20,756,086)	(24,433,788)	(270,126,786)	(4,247,016)
Capital assets, net	256,106,886	15,012,332	33,880,305	304,999,523	1,085,431
Total noncurrent assets	291,413,484	20,254,878	34,865,558	346,533,920	1,085,431
Total assets	350,422,987	42,856,253	39,057,000	432,336,240	17,719,751
DEFERRED OUTFLOWS OF RESOURCES					
Loss on refunding debt	2,723,956	-	-	2,723,956	-
Pension	1,738,497	389,784	155,735	2,284,016	-
Other postemployment benefits	617,030	42,583	40,095	699,708	-
Total deferred outflows of resources	5,079,483	432,367	195,830	5,707,680	-

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	2,906,192	6,067,227	958,111	9,931,530	2,277,798
Accrued wages payable	178,775	40,969	16,570	236,314	11,931
Accrued interest payable	7,134	-	-	7,134	-
Accrued compensated absences, current	521,674	71,756	40,000	633,430	46,000
Current portion of loans and notes payable	538,055	-	-	538,055	-
Current portion of advance from solid waste	681,115	-	-	681,115	-
Unearned revenue	-	273,988	22,666	296,654	-
	4,832,945	6,453,940	1,037,347	12,324,232	2,335,729
Payable from restricted assets:					
Landfill closure costs, current	-	613,739	-	613,739	-
Deposits	1,295,497	-	-	1,295,497	-
Contracts payable	1,398,765	-	-	1,398,765	-
Bonds payable current portion	4,870,000	-	-	4,870,000	-
	7,564,262	613,739	-	8,178,001	-
Total current liabilities	12,397,207	7,067,679	1,037,347	20,502,233	2,335,729
Noncurrent liabilities:					
Accrued compensated absences	139,469	81,652	21,155	242,276	9,485
Other postemployment benefits liability	2,747,789	189,630	178,555	3,115,974	-
Net pension liability	6,379,783	1,430,394	571,508	8,381,685	-
Loans and notes payable	6,741,252	-	-	6,741,252	-
Advance from solid waste	5,239,466	-	-	5,239,466	-
Bonds payable, net of current portion	46,425,838	-	-	46,425,838	-
Landfill closure costs	-	7,536,248	-	7,536,248	-
Total noncurrent liabilities	67,673,597	9,237,924	771,218	77,682,739	9,485
Total liabilities	80,070,804	16,305,603	1,808,565	98,184,972	2,345,214
DEFERRED INFLOWS OF RESOURCES					
Pension	328,658	73,687	29,442	431,787	-
Other postemployment benefits	436,789	30,144	28,383	495,316	-
Leases	-	-	1,105,730	1,105,730	-
Total deferred inflows of resources	765,447	103,831	1,163,555	2,032,833	-
NET POSITION					
Net investment in capital assets	202,910,970	15,012,333	33,880,307	251,803,610	1,085,431
Restricted:					
Capital projects	27,650,349	-	-	27,650,349	-
Bond covenants or debt service	200,663	-	-	200,663	-
Noise abatement projects	-	-	113,400	113,400	-
Unrestricted	43,904,237	11,866,853	2,287,003	58,058,093	14,289,106
Total net position	\$ 274,666,219	\$ 26,879,186	\$ 36,280,710	337,826,115	\$ 15,374,537

Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds	399,486
Net position business-type activities	<u>338,225,601</u>

Martin County, Florida
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2022

	Business Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Water/Sewer Utilities	Solid Waste	Nonmajor Enterprise Funds	Total
OPERATING REVENUES				
Charges for services	\$ 39,543,928	\$ 28,638,951	\$ 4,213,523	\$ 72,396,402
Miscellaneous revenues	1,839,029	684,525	86,058	2,609,612
Total operating revenues	41,382,957	29,323,476	4,299,581	75,006,014
OPERATING EXPENSES				
Salaries and related expenses	9,014,726	1,936,948	867,051	11,818,725
General and administrative and claims	3,145,034	2,026	797,495	3,944,555
Operating and maintenance	8,766,400	25,897,103	2,077,726	36,741,229
Landfill closure and post closure care costs	-	605,428	-	605,428
Depreciation	15,281,722	1,068,523	2,793,296	19,143,541
Total operating expenses	36,207,882	29,510,028	6,535,568	72,253,478
Operating income (loss)	5,175,075	(186,552)	(2,235,987)	2,752,536
NONOPERATING REVENUES (EXPENSES)				
Interest income	848,674	332,673	52,207	1,233,554
Net change in fair value of investments	(502,922)	(186,877)	2,732	(687,067)
Grant income	200,000	43,456	413,774	657,230
Interest expense	(1,934,463)	-	-	(1,934,463)
Amortization of bond discount	(426,296)	-	-	(426,296)
Gain (loss) on disposition of capital assets	240,500	8,400	13,300	262,200
Total net nonoperating revenues (expenses)	(1,574,507)	197,652	482,013	(894,842)
Income (loss) before contributions and transfers	3,600,568	11,100	(1,753,974)	1,857,694
Capital contributions	15,399,443	-	3,623,102	19,022,545
Transfers in	-	-	100,000	100,000
Transfers out	(282,082)	-	-	(282,082)
Change in net position	18,717,929	11,100	1,969,128	20,698,157
Total net position - beginning	255,948,290	26,868,086	34,311,582	14,684,397
Total net position - ending	\$ 274,666,219	\$ 26,879,186	\$ 36,280,710	\$ 15,374,537
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				23,071
Change in net position business type activities				<u>\$ 20,721,228</u>

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, 2022

	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	\$ 38,845,841	\$ 28,775,735	\$ 4,163,233	\$ 71,784,809	\$ 42,395,584
Other receipts	1,839,030	684,525	48,520	2,572,075	4,496,554
Payments for salaries and benefits	(9,036,984)	(1,983,323)	(912,782)	(11,933,089)	(649,071)
Payments to suppliers	(12,694,858)	(24,398,347)	(2,535,701)	(39,628,906)	(47,733,522)
Payments for long-term care costs	-	(556,961)	-	(556,961)	-
Payments for landfill closure cost	-	(235,890)	-	(235,890)	-
Other payments	56,507	31,125	-	87,632	-
Net cash provided (used) by operating activities	19,009,536	2,316,864	763,270	22,089,670	(1,490,455)
CASH FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers from (to) other funds	(282,082)	(8,535)	100,000	(190,617)	2,000,000
Operating grants	-	43,456	-	43,456	-
Net cash provided by noncapital financing activities	(282,082)	34,921	100,000	(147,161)	2,000,000
CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital grants received	2,318,579	(12,909)	4,018,547	6,324,217	-
Capital contributions	2,146,949	-	-	2,146,949	-
Distribution of special assessment fees	4,919,065	-	-	4,919,065	-
Purchases of capital assets	(16,958,423)	(3,506,391)	(4,239,834)	(24,704,648)	(428,717)
Advances from other funds for capital activities	(663,790)	663,790	-	-	-
Principal paid on capital debt	(1,115,080)	-	-	(1,115,080)	-
Proceeds from sale of assets	240,499	8,401	13,300	262,200	192,816
Interest payment on bonds, notes and loans	(2,275,521)	-	-	(2,275,521)	-
Net cash provided (used) by capital and related financing activities	(11,387,722)	(2,847,109)	(207,987)	(14,442,818)	(235,901)
CASH FROM INVESTING ACTIVITIES:					
Purchase of investments	(6,788,773)	242,853	(760,869)	(7,306,789)	(464,208)
Interest received	345,752	145,795	52,206	543,753	34,104
Net cash used in investing activities	(6,443,021)	388,648	(708,663)	(6,763,036)	(430,104)
Net increase (decrease) in cash and cash equivalents	896,711	(106,676)	(53,380)	736,655	(156,460)
Cash and cash equivalents at beginning of period	1,544,470	236,032	71,338	1,851,840	8,496,144
Cash and cash equivalents at end of period	<u>\$ 2,441,181</u>	<u>\$ 129,356</u>	<u>\$ 17,958</u>	<u>\$ 2,588,495</u>	<u>\$ 8,339,684</u>

(continued)

Martin County, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2022

	Business Type Activities				Governmental Activities - Internal Service Funds
	Enterprise 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)	\$ 5,175,075	\$ (186,552)	\$ (2,235,987)	\$ 2,752,536	\$ (1,536,453)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	15,281,722	1,068,523	2,793,296	19,143,541	557,432
Changes in assets and liabilities:					
Accounts receivable, net	(698,087)	136,784	(10,828)	(572,131)	(254,566)
Lease receivables, net	-	-	(1,198,320)	(1,198,320)	-
Deferred outflows, pension	(397,905)	(85,582)	(28,345)	(511,832)	-
Deferred outflows, OPEB	(126,849)	(8,755)	(8,242)	(143,846)	-
Unearned revenue	-	-	15,589	15,589	-
Due from other funds	-	-	-	-	(38,560)
Inventories	(734,758)	-	(27,314)	(762,072)	(26,881)
Other current assets	-	-	(150)	(150)	-
Accounts payable	(48,665)	1,549,249	366,985	1,867,569	(172,402)
Accrued wages	(261,162)	(66,835)	(26,874)	(354,871)	(20,386)
Deferred inflows, pension	(3,563,917)	(809,597)	(340,451)	(4,713,965)	-
Deferred inflows, OPEB	295,634	20,403	19,210	335,247	-
Deferred inflows, leases	-	-	1,105,730	1,105,730	-
Net pension liability	4,054,562	902,767	350,554	5,307,883	-
Other post-employment benefits	(91,782)	(6,334)	(5,964)	(104,080)	-
Landfill closure costs	-	(235,890)	-	(235,890)	-
Accrued compensated absences	69,161	7,558	(5,619)	71,100	1,361
Customer deposits	56,507	31,125	-	87,632	-
Net cash provided (used) by operating activities:	<u>\$ 19,009,536</u>	<u>\$ 2,316,864</u>	<u>\$ 763,270</u>	<u>\$ 22,089,670</u>	<u>\$ (1,490,455)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Contributions of capital assets	\$ -	\$ -	\$ 129,022	\$ 129,022	\$ -

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, 2022

	Private Purpose Trust Funds	Custodial Funds	Total Fiduciary Funds
ASSETS			
Cash and cash equivalents	\$ 40,077	\$ 12,462,855	\$ 12,502,932
Investments	371,761	1,537,129	1,908,890
Accounts receivable	-	331,599	331,599
Total assets	411,838	14,331,583	14,743,421
LIABILITIES			
Accounts payable	45,903	153,614	199,517
Due to other governmental agencies	-	5,664,387	5,664,387
Deposits from individuals and corporations	-	206,024	206,024
Total liabilities	45,903	6,024,025	6,069,928
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	-	8,307,558	8,307,558
Held in trust	365,935	-	365,935
	\$ 365,935	\$ 8,307,558	\$ 8,673,493

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, 2022

	Private Purpose Trust Funds	Custodial Funds	Total Fiduciary Funds
ADDITIONS:			
Fees and charges collected for others	\$ -	\$ 15,677,442	\$ 15,677,442
Tax collections for Martin County			
Board of County Commissioners	-	253,663,937	253,663,937
Tax collections for other governments	-	236,040,855	236,040,855
Fines and forfeitures	57,970	-	57,970
Interest income	2,647	-	2,647
Net change in fair value of investments	(3,102)	-	(3,102)
Miscellaneous	-	2,939,375	2,939,375
Total additions	57,515	508,321,609	508,379,124
DEDUCTIONS:			
Payments to Martin County Board of County Commissioners	-	253,700,247	253,700,247
Payments to individuals, organizations, and other governments	-	250,624,452	250,624,452
Miscellaneous	5,043	1,722,536	1,727,579
Human services	73,908	-	73,908
Capital outlay	95,055	-	95,055
Total deductions	174,006	506,047,235	506,221,241
Change in net position	(116,491)	2,274,374	2,157,883
Net position - beginning		6,033,184	6,515,610
Net position - ending	\$ 365,935	\$ 8,307,558	\$ 8,673,493

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



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Martin County, Florida

September 30, 2022

NOTES TO THE FINANCIAL STATEMENTS

TABLE OF CONTENTS

PAGE

Note 1 - Summary of Significant Accounting Policies.....	36
Note 2 - Cash and Cash Equivalents and Investments.....	47
Note 3 - Interfund Receivables and Payables	52
Note 4 - Capital Assets	53
Note 5 - Leases.....	56
Note 6 - Fund Balance Deficits	59
Note 7 - Long-Term Obligations.....	59
Note 8 - Long-Term Liabilities - Enterprise Funds.....	63
Note 9 - Long Term Liabilities – Enterprise Funds – Solid Waste.....	67
Note 10 - Capital Contributions.....	67
Note 11 - Interfund Transfers	68
Note 12 - Property Tax.....	69
Note 13 - Tax Abatements.....	69
Note 14 - Defined Benefit Pension Plan.....	70
Note 15 - Other Postemployment Benefits (OPEB).....	77
Note 16 - Note 16 - Risk Management.....	82
Note 17 - Contingencies.....	83
Note 18 - New Accounting Pronouncements.....	83

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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
September 30, 2022

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

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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.

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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.

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 custodial funds which use the economic resources measurement focus and are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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

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

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

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

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

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

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

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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

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

F. Budgets

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

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

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

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

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

G. Encumbrances

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

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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

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

1. Cash and Cash Equivalents

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

2. Investments

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

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

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

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

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

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

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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.

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."

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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 \$440,446 (negative for Governmental Activities and positive for Business-Type Activities) for fiscal year 2022. A portion of this amount consists of \$40,960 that is an interfund loan between business-type and governmental activities, with Water/Sewer Utilities and Bank Notes and Loans. The other amount 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 2022 portion of the internal service funds’ decrease was \$(23,071). That amount is combined with the previous year’s cumulative total of \$376,415. The effect of each year’s “crossover adjustment” on the government-wide financial statements is cumulative.

6. Inventories and Prepaid Items

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

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

7. Assets Held for Resale

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

8. Restricted Assets

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

9. Capital Assets

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

The threshold for tangible personal property is \$5,000. Depending upon type, the thresholds for infrastructure and other assets ranges between \$25,000 and \$100,000. The threshold for intangible assets purchased or

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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

11. Pension and Other Post-Employment Benefits Disclosure

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

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

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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.

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 2022 includes \$18,283,407 of net position restricted by enabling legislation.

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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.

19. Leases

Leases are defined by the general government as the right to use an underlying asset.

As lessee, the County recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximate the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The County calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to

Martin County, Florida
Notes to Financial Statements
September 30, 2022

the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

As lessor, the County recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of receivables at the beginning of the lease term. Periodic amortization of the discount on the receivable are reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Remeasurement of lease receivables occur when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference.

For lease contracts that are short-term, the County recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period. Leases between the Airport and air carriers and other aeronautical users are subject to external laws and regulations. As permitted by GASBS No. 87, paragraph 43, the Airport recognizes inflows of resources based on the payment provisions of the lease contract, and the accounting policies do not apply to regulated leases. Additional disclosures regarding regulated leases are in Note 5.

All leases in effect October 1, 2021, are recognized as additions in fiscal year ending September 30, 2022.

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 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.

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

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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

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

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Cash and cash equivalents	\$ 32,472,937	\$ 319,128	\$ 12,502,932	\$ 45,294,997
Restricted cash and cash equivalents	1,387,354	2,269,368	-	3,656,722
Investments	249,657,830	64,662,167	1,908,890	316,228,887
Restricted investments - current	-	6,744,043	-	6,744,043
Restricted investments - noncurrent	-	19,813,005	-	19,813,005
	<u>\$ 283,518,121</u>	<u>\$ 93,807,711</u>	<u>\$ 14,411,822</u>	<u>\$ 391,737,654</u>

As of September 30, 2022, 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.

Martin County, Florida
Notes to Financial Statements
September 30, 2022

The County had the following investments with stated maturities categorized as Level 1, Level 2, or Level 3 as of September 30, 2022.

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	\$ 55,634,580	\$ -	\$ 55,634,580	\$ -
FHLB Agency Bullet	13,594,140	-	13,594,140	-
FHLMC Agency Bullet	66,813,070	-	66,813,070	-
Total investments at fair value	136,041,790	\$ -	\$ 136,041,790	\$ -
Investments Reported at Amortized Cost				
Florida PRIME	84,670,376			
FLGIT - Day-to-Day Fund	14,185,413			
Certificates of deposit, TrustCo	10,000,000			
Total investments reported at amortized cost	108,855,789			
Investments Reported at NAV share value				
FLGIT - Short Term Bond Fund	10,673,307			
FLCLASS	25,334,743			
FLSTAR	10,075,341			
Total investments reported at NAV share value	46,083,391			
Total investments	290,980,970			
Cash deposits	100,756,684			
Total cash and cash equivalents and investments	\$ 391,737,654			

Martin County, Florida
Notes to Financial Statements
September 30, 2022

Credit Risk and Concentration of Credit Risk

Investment	Amount	Percentage of Portfolio	Standard & Poor's / Fitch Investment Rating
Florida Prime Investment Pool (SBA)	\$ 84,670,376	21.61 %	AAAm
FLCLASS Local Government Investment Pool	25,334,743	6.47	AAAm
Florida Local Government Investment Trust (Short Term Bond Fund)	10,673,307	2.73	AAAf
Florida Local Government Investment Trust (Day to Day fund)	14,185,413	3.62	AAAm
FLSTAR	10,075,341	2.57	AAAm
U.S. Agency Bonds	80,407,210	20.53	AA+
U.S. Treasuries	55,634,580	14.20	N/A
Certificates of deposit	10,000,000	2.55	N/A
Cash and Receivables	100,756,684	25.72	N/A
	<u>\$ 391,737,654</u>	<u>100.00 %</u>	

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

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

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

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

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

Martin County, Florida
Notes to Financial Statements
September 30, 2022

Interest Rate Risk

		Effective Duration in Years		
	Fair Value as of 9/30/2021	Less than 1 Year	1 year but less than 3	3 years but less than 5
Investment type				
Investments subject to Interest rate risk:				
Florida Local Government Investment Trust Short Term Bond Fund (effective duration 1.7 years)	\$ 10,673,307	\$ 4,663,168	\$ 5,898,069	\$ 112,070
U.S. Treasuries	55,634,580	44,229,700	11,404,880	-
U.S. Agency Bonds	80,407,210	14,791,400	65,615,810	-
		<u>\$ 63,684,268</u>	<u>\$ 82,918,759</u>	<u>\$ 112,070</u>
Other investment:				
Florida Prime Investment Pool (SBA)	84,670,376			
FLCLASS Local Government Investment Pool	25,334,743			
Florida Local Government Investment Trust Day to Day fund	14,185,413			
FLSTAR Local Government Investment Pool	10,075,341			
Certificates of deposit	10,000,000			
Cash and Cash Deposits	100,756,684			
	<u>\$ 391,737,654</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, 2022

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, 2022, are expected to be repaid within one year. Interfund receivable and payable balances for the year ended September 30, 2022, 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	\$ -	\$ 2,312	\$ -	\$ 25,561	\$ -	\$ -	\$452,402	\$ 480,275
Federal Grants	-	-	-	20,331	-	-	-	20,331
State Grants	10,750,000	-	-	753,082	-	-	-	11,503,082
County Buildings	32,819	-	-	-	-	-	-	32,819
Nonmajor governmental funds	607,523	15	40	23,972	40,960	-	-	672,510
Water/Sewer Utilities	-	-	-	-	-	681,115	-	681,115
Total receivables and payables	<u>\$11,390,342</u>	<u>\$ 2,327</u>	<u>\$ 40</u>	<u>\$ 822,946</u>	<u>\$ 40,960</u>	<u>\$681,115</u>	<u>\$452,402</u>	<u>\$13,390,132</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, 2022

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 218,490,699	\$ 6,604,628	\$ (40,446)	\$ 225,054,881
Land use rights - permanent	2,829,261	593,116	-	3,422,377
Construction in progress	67,324,183	54,541,118	(14,505,983)	107,359,318
Total capital assets not being depreciated	288,644,143	61,738,862	(14,546,429)	335,836,576
Capital assets being depreciated:				
Buildings and improvements	218,011,190	1,385,757	-	219,396,947
Equipment	142,025,834	11,375,330	(2,959,583)	150,441,581
Land use rights - temporary	5,716,856	-	-	5,716,856
Software	12,935,125	965,288	-	13,900,413
Land improvements	67,658,551	1,552,117	-	69,210,668
Infrastructure	623,651,160	6,566,392	-	630,217,552
Right of use assets	-	2,445,143	-	2,445,143
Total capital assets being depreciated	1,069,998,716	24,290,027	(2,959,583)	1,091,329,160
Less accumulated depreciation for:				
Buildings and improvements	(97,041,247)	(7,355,894)	-	(104,397,141)
Equipment and other assets	(87,038,030)	(11,866,170)	2,379,276	(96,524,924)
Land use rights	(2,028,391)	(318,180)	-	(2,346,571)
Software	(8,808,389)	(921,216)	-	(9,729,605)
Land improvements	(40,537,099)	(2,928,207)	-	(43,465,306)
Infrastructure	(396,342,058)	(15,016,775)	-	(411,358,833)
Accumulated amortization, leases	-	(558,798)	-	(558,798)
Total accumulated depreciation and amortization	(631,795,214)	(38,965,240)	2,379,276	(668,381,178)
Total capital assets being depreciated, net	438,203,502	(14,675,213)	(580,307)	422,947,982
Governmental activities capital assets, net	\$ 726,847,645	\$ 47,063,649	\$ (15,126,736)	\$ 758,784,558

Depreciation and amortization expense was charged as follows:

Governmental activities:	
General government	\$ 6,970,482
Public safety	8,426,817
Physical environment	2,754,767
Transportation (which includes depreciation for infrastructure)	15,113,990
Economic environment	198,982
Human services	86,265
Culture and recreation	4,856,505
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	557,432
Total governmental activities depreciation expense	\$ 38,965,240

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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	1,292,849	104,169	-	1,397,018
Construction in progress	21,169,036	14,314,179	(21,927,780)	13,555,435
Total capital assets not being depreciated	28,436,298	14,418,348	(21,927,780)	20,926,866
Capital assets being depreciated				
Buildings	147,046,626	267,110	-	147,313,736
Water distribution system	114,908,052	1,154,783	-	116,062,835
Wells	13,849,690	5,682,400	-	19,532,090
Sewer collection system	141,823,315	16,561,443	-	158,384,758
Equipment & leasehold improvement	9,209,877	308,179	(54,239)	9,463,817
Intangible assets	8,920,890	438,804	-	9,359,695
Total capital assets being depreciated	435,758,450	24,412,719	(54,239)	460,116,931
Less depreciation and amortization for				
Buildings	(71,017,015)	(3,735,983)	-	(74,752,997)
Water distribution system	(54,549,864)	(4,292,024)	-	(58,841,888)
Wells	(9,663,615)	(446,228)	-	(10,109,843)
Sewer collection system	(63,977,410)	(5,755,791)	-	(69,733,201)
Equipment & leasehold improvements	(6,085,450)	(744,374)	54,239	(6,775,585)
Intangible assets	(4,416,962)	(306,435)	-	(4,723,397)
Total accumulated depreciation and amortization	(209,710,316)	(15,280,835)	54,239	(224,936,911)
Total capital assets being depreciated, net	226,048,134	9,131,884	-	235,180,020
Water/Sewer capital assets, net	\$ 254,484,432	\$ 23,550,232	\$ (21,927,780)	\$ 256,106,886
Solid Waste:				
Capital assets not being depreciated				
Land	\$ 1,836,230	\$ 1,473,775	\$ -	\$ 3,310,005
Construction in progress	233,342	2,022,743	(1,936,394)	319,691
Total capital assets not being depreciated	2,069,572	3,496,518	(1,936,394)	3,629,696
Capital assets being depreciated				
Buildings and improvements	11,638,163	773,854	-	12,412,017
Landfill improvements	12,354,989	360,601	-	12,715,590
Equipment & leasehold improvement	6,187,540	801,937	(13,334)	6,976,143
Intangible assets	25,097	9,875	-	34,972
Total capital assets being depreciated:	30,205,789	1,946,267	(13,334)	32,138,722
Less accumulated depreciation for				
Buildings and improvements	(5,316,158)	(377,398)	-	(5,693,556)
Landfill improvements	(10,951,871)	(201,654)	-	(11,153,525)
Equipment & leasehold improvement	(3,416,949)	(487,303)	13,334	(3,890,918)
Intangible assets	(15,918)	(2,169)	-	(18,087)
Total accumulated depreciation and amortization	(19,700,896)	(1,068,524)	13,334	(20,756,086)
Total capital assets being depreciated, net	10,504,893	877,743	-	11,382,636
Solid Waste capital assets, net	\$ 12,574,465	\$ 4,374,261	\$ (1,936,394)	\$ 15,012,332

Martin County, Florida
Notes to Financial Statements
September 30, 2022

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Airport:				
Capital assets not being depreciated				
Land	\$ 6,875,978	\$ -	\$ -	\$ 6,875,978
Construction in progress	2,127,896	4,066,138	(3,727,335)	2,466,699
Total capital assets, not being depreciated	9,003,874	4,066,138	-	9,342,677
Capital assets being depreciated				
Buildings	6,248,843	818,417	-	7,067,260
Airport improvements	34,428,995	2,923,317	-	37,352,312
Equipment	632,807	94,297	(35,872)	691,232
Intangible assets	15,076	65,000	-	80,076
Total capital assets, being depreciated	41,325,721	3,901,031	-	45,190,880
Less accumulated depreciation for				
Buildings	(2,252,702)	(469,452)	-	(2,722,154)
Airport improvements	(16,747,378)	(2,093,065)	-	(18,840,443)
Equipment	(549,737)	(33,175)	35,872	(547,040)
Intangible assets	(3,789)	(2,613)	-	(6,402)
Total accumulated depreciation and amortization	(19,553,606)	(2,598,305)	-	(22,116,039)
Total capital assets being depreciated, net	21,772,115	1,302,726	-	23,074,841
Airport capital assets, net	\$ 30,775,989	\$ 5,368,864	\$ -	\$ 32,417,518
Golf Course:				
Capital assets being depreciated				
Buildings	\$ 1,258,259	\$ -	\$ -	\$ 1,258,259
Golf Course improvements	1,355,456	-	-	1,355,456
Equipment	1,037,799	129,022	-	1,166,821
Total capital assets, being depreciated	3,651,514	129,022	-	3,780,536
Less accumulated depreciation for				
Buildings	(565,319)	(28,115)	-	(593,434)
Golf Course improvements	(681,540)	(90,364)	-	(771,904)
Equipment	(875,899)	(76,512)	-	(952,411)
Total accumulated depreciation	(2,122,758)	(194,991)	-	(2,317,749)
Total capital assets being depreciated, net	1,528,756	(65,969)	-	1,462,787
Golf Course capital assets, net	\$ 1,528,756	(65,969)	\$ -	\$ 1,462,787
Business-type activities capital assets, net	\$ 299,363,642	\$ 33,227,388	\$ (23,864,174)	\$ 304,999,523

Martin County, Florida
Notes to Financial Statements
September 30, 2022

Note 5 - Leases

1. Lessee

For the year ended September 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. For additional information, refer to the disclosures below. For the year ended September 30, 2022, the County was lessee for the following nine leases:

Hobe Sound-1, LLC: On October 1, 2021, the County recognized a remaining 5-year lease as a lessee for the use of Island Crossing Shopping Center – Phase 2, for Clerk and Tax Collector branch offices. An initial lease payable was recorded in the amount of \$703,665. As of September 30, 2022, the amount of the lease payable is \$582,439. The County is required to make monthly payments on the lease through October 31, 2026. The lease has an interest rate of 3%. The value of the right of use asset as of September 30, 2022, was \$714,115 with accumulated amortization of \$140,482, and a net book value \$573,633.

Brixmor Property Group: On October 1, 2021, the County recognized a remaining 40-month lease as a lessee for the use of 3,000 square feet of building space in Palm City for a Tax Collector branch office. An initial lease payable was recorded in the amount of \$197,246. As of September 30, 2022, the amount of the lease payable is \$144,826. The County is required to make monthly payments on the lease through January 31, 2025. The lease has an interest rate of 3%. The value of the right of use asset as of September 30, 2022, was \$202,372 with accumulated amortization of \$60,712, and a net book value \$141,660.

Jeffrey H. Sands: On October 1, 2021, the County recognized a remaining 4-year lease as a lessee for the use of 6,825 square feet in Sands Commerce Center, Palm City, for a Sheriff's substation office and storage of various equipment and supplies. An initial lease payable was recorded in the amount of \$163,089. As of September 30, 2022, the amount of the lease payable is \$128,041. The County is required to make monthly payments on the lease through September 30, 2025. The lease has an interest rate of 3%. The value of the right of use asset as of September 30, 2022, was \$166,643 with accumulated amortization of \$41,661, and a net book value \$124,982.

American Towers: On October 1, 2021, the County recognized a remaining 15-year lease as a lessee for the use of a communications tower and surrounding parcel of land. An initial lease payable was recorded in the amount of \$331,463. As of September 30, 2022, the amount of the lease payable is \$323,310. The County is required to make monthly payments on the lease through May 14, 2037. The lease has an interest rate of 3%. The value of the right of use asset as of September 30, 2022, was \$332,997 with accumulated amortization of \$21,255, and a net book value \$311,742.

Dell Marketing LP: On March 1, 2022, the County entered into a 3-year lease as a lessee for the use of APEX private cloud for Tax Collector. The County incurred \$17,225 of ancillary charges and an initial lease payable was recorded in the amount of \$121,717. As of September 30, 2022, the amount of the lease payable is \$100,913. The County is required to make monthly payments on the lease through February 28, 2025. The lease has an interest rate of 0.24%. The value of the right of use asset as of September 30, 2022, was \$142,433 with accumulated amortization of \$27,695, and a net book value \$114,738.

AT&T Wireless Services (AWS): On October 1, 2021, the County recognized a remaining 5-year lease as a lessee for the use of a communications tower and surrounding parcel of land. An initial lease payable was recorded in the amount of \$93,398. As of September 30, 2022, the amount of the lease payable is \$78,456. The County is required to make monthly payments on the lease through September 30, 2026. The lease has an interest rate of 3%. The value of

Martin County, Florida
Notes to Financial Statements
September 30, 2022

the right of use asset as of September 30, 2022, was \$94,973 with accumulated amortization of \$18,984, and a net book value \$75,989.

Axon Enterprises: On October 1, 2021, the Sheriff recognized a 5-year lease as a lessee for the use of 270 Axon TASER 7's. An initial lease payable was recorded in the amount of \$561,236. As of September 30, 2022, the amount of the lease payable is \$371,744. The Sheriff is required to make annual payments on the lease through December 31, 2024. The lease has an interest rate of 3%. The value of the right of use asset as of September 30, 2022, was \$561,236 with accumulated amortization of \$172,688, and a net book value \$388,548.

Dell Financial Services: On October 1, 2021, the Sheriff recognized a 49-month lease as a lessee for the use of Dell hardware. An initial lease payable was recorded in the amount of \$69,839. As of September 30, 2022, the amount of the lease payable is \$36,886. The Sheriff is required to make annual payments, plus a final one-month payment, on the lease through July 31, 2024. The lease has an interest rate of 3%. The value of the right of use asset as of September 30, 2022, was \$69,839 with accumulated amortization of \$24,626, and a net book value \$45,213.

The Huntington National Bank: On October 1, 2021, the County recognized a remaining 3-year lease as a lessee for the use of seventy-five EZ-GO golf carts with GPS. An initial lease payable was recorded in the amount of \$156,112. As of September 30, 2022, the amount of the lease payable is \$111,200. The County is required to make monthly payments on the lease through November 30, 2024. The lease has an interest rate of 3%. The value of the right of use asset as of September 30, 2022, was \$160,535 with accumulated amortization of \$50,695, and a net book value \$109,840.

The following is a summary of leased asset activity for the year ended September 30, 2022:

Governmental activities:	Beginning Balance	Increases	Decreases	Total
Right of use assets				
Right of use buildings	\$ -	\$ 1,083,130	\$ -	\$ 1,083,130
Right of use equipment	-	1,362,013	-	1,362,013
Total right of use assets	-	2,445,143	-	2,445,143
Less accumulated amortization				
Accumulated amortization, building leases	-	(242,855)	-	(242,855)
Accumulated amortization, equipment leases	-	(315,943)	-	(315,943)
Total less accumulated amortization	-	(558,798)	-	(558,798)
Total right of use assets, net	\$ -	\$ 1,886,345	\$ -	\$ 1,886,345

An initial lease liability was recorded in the amount of \$2,397,765. As of September 30, 2022, the value of the lease liability is \$1,877,815. The County makes monthly payments ranging from \$1,638 to \$12,645 through the terms of the leases for all except Sheriff leases that have annual payments ranging from \$34,536 to \$194,400. The leases have interest rates ranging from 0.24% to 3.00%. The value of the right of use assets as of September 30, 2022, is \$2,445,143 with accumulated amortization of \$558,798.

Amortization expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ (269,128)
Public Safety	(238,975)
Culture and recreation	(50,695)
Total amortization expense - governmental activities	<u><u>\$ (558,798)</u></u>

Martin County, Florida
Notes to Financial Statements
September 30, 2022

2. Lessor

The County, as a lessor, is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below. For the year ended September 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset.

For the year ended September 30, 2022, the County was lessor for the following five leases:

Liberator Medical Supply: On October 1, 2021, the County recognized a remaining 5-year lease as a lessor, for the tenant to use two buildings at Witham Field Airport. An initial lease receivable was recorded in the amount of \$1,313,035. As of September 30, 2022, the amount of the lease receivable is \$1,195,470. Liberator Medical Supply makes monthly payments of \$20,267 on the lease, through September 30, 2023, increasing annually to \$22,810 in the final year, through September 30, 2027. The lease has an interest rate of 3%. As of September 30, 2022, deferred inflow of resources was \$1,105,730.

Verizon: On October 1, 2021, the County recognized a remaining 11-year lease as a lessor, for the tenant to use communications tower and surrounding parcel of land. An initial lease receivable was recorded in the amount of \$222,608. As of September 30, 2022, the amount of the lease receivable is \$203,808. Verizon makes semi-annual payments of \$11,400 on the lease, through August 31, 2033. The lease has an interest rate of 3%. As of September 30, 2022, deferred inflow of resources was \$203,928.

Central Florida Cellular: On October 1, 2021, the County recognized a remaining 4-year lease as a lessor, for the tenant to use communications tower and surrounding parcel of land. An initial lease receivable was recorded in the amount of \$31,501. As of September 30, 2022, the amount of the lease receivable is \$25,300. Central Florida Cellular makes monthly payments of \$635 on the lease, through March 31, 2026. The lease has an interest rate of 3%. As of September 30, 2022, deferred inflow of resources was \$24,933.

U.S. Customs and Border Patrol: On October 1, 2021, the County recognized a remaining 6-year lease as a lessor, for the tenant to use a communications tower and surrounding parcel of land. An initial lease receivable was recorded in the amount of \$9,958. As of September 30, 2022, the amount of the lease receivable is \$8,753. U.S. Customs and Border Patrol makes monthly payments of \$133 on the lease, through September 30, 2028. The lease has an interest rate of 3%. As of September 30, 2022, deferred inflow of resources was \$8,628.

House of Hope: On October 1, 2021, the County recognized a remaining 8-year lease as a lessor, for the tenant to use an historic building for a community center in Golden Gate. An initial lease receivable was recorded in the amount of \$56,253. As of September 30, 2022, the amount of the lease receivable is \$49,756. House of Hope makes annual payments of \$8,000 on the lease, through August 31, 2030. The lease has an interest rate of 3%. As of September 30, 2022, deferred inflow of resources was \$49,918.

Classification	Term Range	Lease Receivable as of Commencement Date	Lease Receivable as of September 30, 2022
Buildings	10 - 30 years	\$ 1,383,130	\$ 1,245,227
Equipment	9 - 40 years	264,731	237,861
		<u>\$ 1,647,861</u>	<u>\$ 1,483,088</u>

Martin County, Florida
Notes to Financial Statements
September 30, 2022

The combined initial lease receivable was \$1,647,861; as of September 30, 2022, the value of the lease receivable is \$1,483,088. The leases all have an interest rate of 3.00%. The value of the deferred inflow of resources as of September 30, 2022 was \$1,393,137.00, and the County recognized lease revenue of \$254,724 during the fiscal year.

Note 6 - Fund Balance Deficits

The following funds had a fund balance deficit at September 30, 2022:

Federal Grants	\$11,340,703
Other State Grants	\$ 9,272,094
Local Grants	\$ 222,049

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 7 - Long-Term Obligations

Long-term obligations for the governmental funds at September 30, 2022, are comprised of the following:

Compensated absences	<u>\$ 17,853,322</u>

Long term leases:

The County has entered into nine leases as lessee. See Note 5, Leases, for details.	<u>1,877,815</u>

Obligations under finance purchase agreements:

The County has entered into various lease agreements as lessee for financing the acquisition of ambulances, fire pumpers, a custom tractor chassis, water tankers and other fire equipment; Energy Performance contracts with Trane for the Martin County Jail and for the Martin County Health Department; and two leases with Motorola for the financing the acquisition of equipment. In addition, the Sheriff has leases for a CAD system, a 2020 H125 Airbus helicopter and mission equipment, and a new lease in FY22 in the amount of \$253,298 for Bomb Squad equipment. 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 3.263%. Assets acquired have a cost of \$35,685,099 and a net book value of \$25,358,382.

<u>24,691,686</u>

Martin County, Florida
Notes to Financial Statements
September 30, 2022

Revenue notes and bonds:

\$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, 2022, principal and interest remaining totaled \$10,309,122. For the year ended September 30, 2022, principal and interest payments were \$2,579,851. 9,867,000

\$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, 2022, principal and interest remaining on this note totaled \$2,512,735. For the year ended September 30, 2022, principal and interest payments were \$251,212. 2,180,000

\$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, 2022, principal and interest remaining on this note totaled \$1,707,600. For the year ended September 30, 2022, principal and interest payments were \$170,828. 1,385,000

\$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, 2022, principal and interest remaining on this note totaled \$2,638,790. For the year ended September 30, 2022, principal and interest payments were \$446,577. 2,436,000

Martin County, Florida
Notes to Financial Statements
September 30, 2022

\$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, 2022, principal and interest remaining on this note totaled \$1,235,178. For the year ended September 30, 2022, principal and interest payments were \$308,703. 1,184,987

\$11,936,000 Capital Improvement Refunding Revenue Note, Series 2022 (Taxable); interest of 3.14% payable semi-annually; principal payable in annual installments through May 2033; collateralized by non-ad valorem revenues. The purpose of this note is to refund the County's Capital Improvement Revenue Note, Series 2017D (Taxable) and to pay all costs and expenses in connection with the preparation, issuance, and sale of this note. The difference in cash flows between the old and new debt service is \$659,210, which resulted in a net present value economic gain of \$555,170. As of September 30, 2022, principal and interest remaining on this note totaled \$14,277,028 as there were no payments made in fiscal year 2022. 11,936,000

\$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, 2022, principal and interest remaining on this note totaled \$4,955,258. For the year ended September 30, 2022, principal and interest payments were \$291,133. 3,800,947

\$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, 2022, principal and interest remaining on this note totaled \$50,281,050. For the year ended September 30, 2022, principal and interest payments were \$2,958,500. 35,260,000

Total Revenue Notes and Bonds \$ 68,049,934

Unamortized premium 4,206,906

Total long-term obligations \$ 116,679,663

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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 \$187,659. Principal and interest payments for the year for that note were \$291,133 Total pledged revenues recognized during the fiscal year for the County's Gas Tax Debt were \$8,328,006. Principal and interest payments for the year for the 2014 Gas Tax Refunding Revenue Note were \$2,578,851. Total pledged revenues recognized during the fiscal year for the County's Half Cent Sales Tax Revenue Bond were \$21,468,934, and principal and interest payments for the year were \$2,958,500. Total pledged revenues recognized for the remaining revenue notes were \$102,508,851 with principal and interest payments for the year totaling \$9,836,912.

The annual debt service requirements to maturity for long-term bonds, notes and finance purchase agreements are as follows:

Year Ending September 30,	Governmental Activities					
	Bonds and Notes		Financed Purchase Agreements		Long Term Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 5,857,271	\$ 2,447,601	\$ 4,003,977	\$ 579,877	\$ 572,813	\$ 44,445
2024	6,020,359	2,283,437	4,097,696	484,431	562,157	28,279
2025	6,207,294	2,093,628	4,103,401	386,593	270,464	17,373
2026	6,408,367	1,897,200	3,707,992	290,738	184,957	11,198
2027	3,688,468	1,725,635	2,313,252	213,022	28,469	7,994
2028-2032	18,896,924	6,391,391	6,335,905	464,551	106,974	31,358
2033-2037	14,784,130	2,764,130	129,463	4,224	151,981	11,138
2038-2040	6,187,121	308,806	-	-	-	-
	<u>\$ 68,049,934</u>	<u>\$ 19,911,828</u>	<u>\$ 24,691,686</u>	<u>\$ 2,423,436</u>	<u>\$ 1,877,815</u>	<u>\$ 151,785</u>

Changes in governmental activities' long-term liabilities for the year-ended September 30, 2022, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 16,938,651	\$ 9,243,467	\$ (8,328,796)	\$ 17,853,322	\$ 7,283,000
Long-term leases	-	2,427,918	(550,103)	1,877,815	572,813
Financed purchase agreements	28,487,566	253,298	(4,049,178)	24,691,686	4,003,977
Revenue bonds/notes	80,598,712	11,936,000	(24,484,778)	68,049,934	5,857,271
Unamortized premiums	4,669,479	-	(462,573)	4,206,906	444,469
Total liabilities	<u>\$ 130,694,408</u>	<u>\$ 23,860,683</u>	<u>\$ (37,875,428)</u>	<u>\$ 116,679,663</u>	<u>\$ 18,161,530</u>

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

Martin County, Florida
Notes to Financial Statements
September 30, 2022

Note 8 - Long-Term Liabilities - Enterprise Funds

Long-term liabilities at September 30, 2022 in the Enterprise Funds consist of the following:

Compensated Absences	\$ 875,706

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.	40,310,000

\$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>5,540,000</u>

Total Revenue Bonds	<u>45,850,000</u>

State Revolving Fund Loans

In 2002, the Department entered into a loan agreement 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 and Lighthouse Point; the project was finalized May 16, 2006. Interest rates on the outstanding loan range from 2.71% to 3.11%.	522,071

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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%.

6,757,236

Total State Revolving Fund Loans

7,279,307

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:

5,920,581

Total Revenue Bonds, State Revolving Fund Loan, and Advances

59,049,888

Unamortized premium

5,445,838

-

-

Landfill Closure Costs

8,149,987

Total long-term obligations

\$ 73,521,419

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

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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 \$27,877,675 with capital facilities charges and \$23,289,704 exclusive of capital facilities charges. Principal and interest payments for the total fiscal year totaled \$4,203,152.

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
2023	\$ 5,720,437	\$ 2,113,855	\$ 7,834,292
2024	5,897,883	1,938,126	7,836,009
2025	6,120,934	1,715,720	7,836,654
2026	6,220,918	1,432,047	7,652,965
2027	2,850,172	265,943	3,116,115
2028-2032	14,190,974	1,094,656	15,285,630
2033-2037	8,356,332	901,118	9,257,450
2038-2040	2,935,000	143,813	3,078,813
	<u>\$ 52,292,650</u>	<u>\$ 9,605,278</u>	<u>\$ 61,897,928</u>

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

Martin County, Florida
Notes to Financial Statements
September 30, 2022

Changes in long-term liabilities for the year ended September 30, 2022, were as follows:

	Balance 9/30/2021	Additions	Reductions	Balance 9/30/2022	Due Within One Year
Water/Sewer Utilities					
Revenue Bonds					
Series 2016A	\$ 41,665,000	\$ -	\$ (1,355,000)	\$ 40,310,000	\$ 1,420,000
Series 2016B	8,915,000	-	(3,375,000)	5,540,000	3,450,000
Plus (Less):					
Unamortized premium	5,784,644	-	(338,806)	5,445,838	-
Total revenue bonds	56,364,644	-	(5,068,806)	51,295,838	4,870,000
State Revolving Fund loan WWG12063607P -ST	686,859	-	(164,788)	522,071	169,322
State Revolving Fund loan Golden Gate -ST	2,977,528	3,779,708	-	6,757,236	368,733
Total long-term debt	60,029,031	3,779,708	(5,233,594)	58,575,145	5,408,055
Other Liabilities:					
Compensated absences	591,983	631,549	(562,389)	661,143	521,674
Total long-term liabilities Water/Sewer Utilities	60,621,014	4,411,257	(5,795,983)	59,236,288	5,929,729
Solid Waste:					
Compensated absences	145,851	127,104	(119,546)	153,409	71,756
Landfill closure costs	8,385,877	-	(235,890)	8,149,987	613,739
Total long-term liabilities Solid Waste	8,531,728	127,104	(355,436)	8,303,396	685,495
Airport					
Compensated absences	63,595	40,790	(52,706)	51,679	36,000
Golf-Course					
Compensated absences	3,179	11,199	(4,902)	9,476	4,000
Total long-term liabilities business-type activities	\$ 69,219,516	\$ 4,590,350	\$ (6,209,027)	\$ 67,600,839	\$ 6,655,224

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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, 2022, 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 \$235,890 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.

Note 10 - Capital Contributions

Capital contributions in Water/Sewer Utilities fund consist of monies received, and capital assets contributed. The additions during fiscal year 2022 consisted of \$5,386,576 in cash, \$2,146,948 in capital assets (\$104,168 in easements and \$2,042,780 in developer contributions), and \$38,317 of special assessment revenue recognized. Capital contributions recognized in the Airport fund totaled \$3,494,080 and consisted of capital grants. Capital contributions in the Golf Course fund consists of capital assets contributed in the amount of \$129,022.

Martin County, Florida
Notes to Financial Statements
September 30, 2022

Note 11 - Interfund Transfers

Interfund transfers for the year ended September 30, 2022, 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	\$ -	\$ 650,000	\$ -	\$ -	\$ 3,442,228	\$ -	\$ 4,092,228
Federal Grants	2,313	-	-	-	100,391	-	102,704
State Grants	269,587	-	-	-	5,532,779	-	5,802,366
County Buildings	2,056,088	-	-	-	-	-	2,056,088
Nonmajor Governmental Funds	6,723,248	3,373,562	20,331	240,811	5,553,501	282,082	16,193,535
Nonmajor Business-type Funds	100,000	-	-	-	-	-	100,000
Internal Service Funds	2,000,000	-	-	-	-	-	2,000,000
Total Interfund Transfers	<u>\$ 11,151,236</u>	<u>\$ 4,023,562</u>	<u>\$ 20,331</u>	<u>\$ 240,811</u>	<u>\$ 14,628,899</u>	<u>\$ 282,082</u>	<u>\$ 30,346,921</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 2022, the County transferred capital assets with a net book value of \$129,022 to the Golf Course, from governmental activities to the business type activities. These transfers are reported as capital contributions for the proprietary at the fund level. At the government wide level, the transfer in governmental activities to business type activities is reported as a transfer.

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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 9.20% of taxable value.

Note 13 - Tax Abatements

Economic Development Exemption

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

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

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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 FY2022 is \$2,582,617. 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 2022 Tangible Personal Property Grant

Parcel 1000-6002-7823	2022 Taxable Value	2023 Millage	Total Taxes Due with 4% Early Pay Discount	Grant Amount
County Millage	\$ 512,444,602	0.00655590	\$ 3,225,154	
Grant Amount	512,444,602	0.00393354	-	\$ 1,935,092
Fire/Rescue Unincorporated MSTU Millage	512,444,602	0.00263250	1,295,050	
Grant Amount	512,444,602	0.00131625	-	647,525
Total FY21 FPL TPP Grant			<u>\$ 4,520,204</u>	<u>\$ 2,582,617</u>

Note 14 -Defined Benefit Pension Plan

Pension Expense/Expenditures

The County's aggregate pension expense/expenditures was an increase of \$3,400,784 for the fiscal year ended September 30, 2022. The County's aggregate net pension liability was \$220,132,035, with balances of deferred outflows of resources related to pensions of \$60,960,899 and deferred inflows of resources related to pensions of \$14,366,506 as of September 30, 2022.

	Net Pension Liability		
	FRS	HIS	Total
Board, including Enterprise Funds	\$ 93,808,618	\$ 20,245,669	\$ 114,054,287
Clerk	3,736,742	1,170,058	4,906,800
Property Appraiser	2,348,714	679,420	3,028,134
Sheriff	79,905,123	13,454,067	93,359,190
Supervisor of Elections	253,969	54,811	308,780
Tax Collector	3,556,973	917,871	4,474,844
Total	<u>\$ 183,610,139</u>	<u>\$ 36,521,896</u>	<u>\$ 220,132,035</u>

Martin County, Florida
Notes to Financial Statements
September 30, 2022

	Changes in Net Pension Liability		
	<u>Beginning</u>	<u>Net Changes</u>	<u>Ending</u>
FRS	\$ 36,925,907	\$ 146,684,232	\$ 183,610,139
HIS	41,692,813	(5,170,917)	36,521,896
Total	<u>\$ 78,618,720</u>	<u>\$ 141,513,315</u>	<u>\$ 220,132,035</u>

Plan Description

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

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

FRS Plan

Drop Benefits

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

Funding Policy

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

Contribution rates, expressed as a percentage of covered annual payrolls, in effect during the fiscal year for the following classes of memberships were:

	<u>10/01/21- 6/30/22</u>	<u>7/01/22- 9/30/22</u>
Regular	10.82 %	11.91 %
Senior Management	29.01 %	31.57 %
Special Risk	25.89 %	27.83 %
County Elected Officials	51.42 %	57.00 %
DROP	18.34 %	18.60 %

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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 \$22,179,290 for the fiscal year ended September 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2022, the County reported a liability of \$183,610,139 for its proportionate share of the FRS Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The County's proportionate share was based on the County's 2021-22 fiscal year contributions relative to the 2021-22 fiscal year contributions of all participating members. At June 30, 2022, the County's proportionate share was 0.4934690%, an increase of 0.0046343% over its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2022, the County recognized an increase in pension expense of \$3,123,782 related to FRS. In addition the department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,720,422	\$ -
Change of assumptions	22,612,356	-
Net difference between projected and actual earnings on Pension Plan investments	12,123,753	-
Changes in proportion and differences between County Pension Plan contributions and proportionate share of contributions	5,333,292	(8,264,667)
County Pension Plan contributions subsequent to the measurement date	5,959,002	-
Total	<u>\$ 54,748,825</u>	<u>\$ (8,264,667)</u>

The deferred outflows of resources related to the FRS Pension Plan, totaling \$5,959,002 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, 2023. 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>
2023	\$ 10,869,824
2024	5,993,120
2025	3,394,763
2026	(3,071,794)
2027	22,872,246
Thereafter	466,997

Martin County, Florida
Notes to Financial Statements
September 30, 2022

Actuarial Assumptions

The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 %
Salary increases	3.25 % average, including inflation
Investment rate of return	6.70 % 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, 2022, 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 2022: the long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 6.80% to 6.70%, and the active member mortality assumption remained the same.

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:

Asset Class	Target Allocation ¹	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0 %	2.6 %	2.6 %	1.1 %
Fixed Income	19.8 %	4.4 %	4.4 %	3.2 %
Global equity	54.0 %	8.8 %	7.3 %	17.8 %
Real estate (property)	10.3 %	7.4 %	6.3 %	15.7 %
Private equity	11.1 %	12.0 %	8.9 %	26.3 %
Strategic investments	3.8 %	6.2 %	5.9 %	7.8 %
Total	100.0 %			
Assumed Inflation - Mean			2.4 %	1.3 %

¹ As outlined in the Pension Plan's investment policy

Discount Rate - The discount rate used to measure the total pension liability was 6.70%. 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.

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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 6.70%, 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 (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
County's proportionate share of the net pension liability	\$ 317,541,111	\$ 183,610,139	\$ 71,627,915

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, 2022, 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 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, 2022, the HIS Plan contribution for the period October 1, 2021, through September 30, 2022, 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 \$2,168,302 for the fiscal year ended September 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2022, the County reported a liability of \$36,521,896 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The County's proportionate share of the net pension liability was based on the County's 2021-22 fiscal year contributions relative to the 2021-22 fiscal year contributions of all participating members. At June 30, 2022, the County's proportionate share was 0.34481952%, a decrease of 0.00492793 over its proportionate share measured as of June 30, 2021.

Martin County, Florida
Notes to Financial Statements
September 30, 2022

For the fiscal year ended September 30, 2022, the County recognized pension expense of \$277,002 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	\$ 1,108,527	\$ (160,700)
Change of assumptions	2,093,459	(5,649,914)
Net difference between projected and actual earnings on pension plan investments	52,877	-
Changes in proportion and differences between county pension plan contributions and proportionate share of contributions	2,397,330	(291,225)
County pension plan contributions subsequent to the measurement date	<u>559,881</u>	<u>-</u>
Total	<u>\$ 6,212,074</u>	<u>\$ (6,101,839)</u>

The deferred outflows of resources related to the FRS Pension Plan, totaling \$559,881 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, 2023. 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>
2023	\$ 283,802
2024	(108,470)
2025	54,897
2026	206,946
2027	(47,967)
Thereafter	(838,854)

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	2.40 %
Salary increases	3.25 % average, including inflation
Investment Rate of Return	3.54 % 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, 2022, 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 2022: the long-term expected rate of return and the discount rate used to determine the HIS portion of the total pension liability was increased from 2.16% to 3.54%, and the active member mortality assumption remained the same.

Martin County, Florida
Notes to Financial Statements
September 30, 2022

Discount Rate - The discount rate used to measure the total pension liability was 3.54%. 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 3.54%, 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 (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
County's proportionate share of the net pension liability	\$ 41,784,046	\$ 36,521,896	\$ 32,167,573

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 2021-22 fiscal years, as established by Section 121.72, *Florida Statutes*, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and County Elected Officers class 11.34%.

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

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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, 2022, 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.

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.

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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

Funding Policy

The contribution requirements of plan members and the employer are established by the Board of County Commissioners and may be amended. All entities of the County are required by *Florida Statute 112.0801* to allow their retirees (and eligible dependents) to continue participation in the group insurance plan. Retirees must be offered the same coverage as is offered to active employees at a premium cost of no more than the premium cost applicable 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, 2022, retirees receiving benefits contributed the following monthly premiums in the following categories for Agencies (BOCC, except IAFF, and all constitutionals except the Sheriff), IAFF, and Sheriff:

	Agencies	Fire Rescue IAFF	Sheriff
Monthly Minimum	\$ 95	\$ 95	\$ 195
Monthly Maximum	\$ 1,835	\$ 1,376	\$ 2,114

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 \$4.4 million for this purpose; interest totaling \$27,854 had accrued as of September 30, 2022. The Sheriff's Department has no internal assignment for OPEB.

For the fiscal year ended September 30, 2022, the County provided explicit subsidy contributions of \$2,960,003 to cover retired employees and \$3,086,898 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 2022, the Enterprise Funds portion of the OPEB liability is being recorded in the Proprietary Fund Statements.

Martin County, Florida
Notes to Financial Statements
September 30, 2022

As of September 30, 2021, membership consisted of the following:

	<u>Agencies</u>	<u>Sheriff</u>
Active employees	1,121	521
Retired participants	347	305
Total	<u>1,468</u>	<u>826</u>

Actuarial Assumptions and Other Inputs

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

Actuarial valuation date	September 30, 2021
Measurement date of the total OPEB liability	September 30, 2021
Employer's reporting date	September 30, 2022
Actuarial cost method	Entry Age Normal

Discount Rate: The discount rate of 2.19% 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: 3.40% - 8.20% per year, including inflation

Healthcare Cost Trend Rates: Rates are based on the Getzen Model, with trend starting at 6.0% on January 1, 2022, followed by 5.75% on January 1, 2023, and gradually decreasing to an ultimate trend rate of 3.75%; and Sheriff trend starting at 6.0% on October 1, 2022 (10% for premiums), followed by 5.75% on October 1, 2023, and gradually decreasing to an ultimate trend rate of 3.75%. In addition, retiree dental benefits are assumed to increase 3.75% per year.

Mortality Rates: Mortality rates are based on the results of a state wide experience study covering the period 2013-2018.

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, 2021 actuarial valuation of the Florida Retirement System (FRS), which were developed by FRS from an Actuarial Experience Study completed for the period July 1, 2013, through June 30, 2018.

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

Martin County, Florida
Notes to Financial Statements
September 30, 2022

Changes Since the Prior Valuation: Changes in assumptions and other inputs include the change in the discount rate from 2.41% as of September 30, 2020, to 2.19% as of September 30, 2021. There were no benefit changes during the year. Long-term trend rates of healthcare cost increases were lowered from 3.99% to 3.75%.

At September 30, 2022, the County reported a total OPEB liability of \$180,590,800. 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, 2021, measurement date.

	Total OPEB Liability
Board, including Enterprise Funds	\$ 70,179,183
Clerk	7,516,595
Property Appraiser	2,490,698
Sheriff	95,970,674
Supervisor of Elections	309,731
Tax Collector	4,123,919
Total	<u>\$180,590,800</u>

Changes in Total OPEB Liability

The County's changes in total OPEB liability for the year ended September 30, 2021 (measurement date), were as follows:

Service Cost	\$ 5,428,730
Interest on the total OPEB liability	4,474,995
Difference between expected and actual experience of the total OPEB liability	6,399,648
Changes in assumptions and other inputs	(13,058,232)
Benefit payments	<u>(5,820,054)</u>
Net change in total OPEB liability	<u>\$ (2,574,913)</u>

Sensitivity of the Total OPEB Liability

The following table represents the County's total OPEB liability calculated using the discount rate of 2.19%, 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 (1.19%) or one percentage point higher (3.19%) than the current rate:

	1% Decrease (1.19%)	Current Discount Rate (2.19%)	1% Increase (3.19%)
Total OPEB Liability	\$208,190,432	\$180,590,800	\$157,702,339

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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:

		Current Ultimate Trend Rate	
	1% Decrease		1% Increase
Total OPEB Liability	\$154,021,327	\$180,590,800	\$214,543,674

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

For the fiscal year ended September 30, 2022, the County recognized OPEB expense as follows:

Service cost	\$ 5,428,730
Interest on the total OPEB liability	4,474,995
Recognition of outflow/inflow of resources due to liabilities	(1,391,182)
Total	<u>\$ 8,512,543</u>

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	\$ 9,453,023	\$ 361,397	\$ 1,951,912	\$ 11,766,332
Changes in assumptions and other inputs	5,998,176	229,315	829,621	7,057,112
Benefits paid after the measurement date	2,851,007	108,996	3,086,898	6,046,901
Total	<u>\$ 18,302,206</u>	<u>\$ 699,708</u>	<u>\$ 5,868,431</u>	<u>\$ 24,870,345</u>

	Deferred Inflows of Resources			
	Agencies Without Enterprise	Enterprise Funds	Sheriff	Total
Difference between expected and actual experience	\$ -	\$ -	\$ -	\$ -
Changes in assumptions and other inputs	12,955,925	495,316	9,870,868	23,322,109
Total	<u>\$ 12,955,925</u>	<u>\$ 495,316</u>	<u>\$ 9,870,868</u>	<u>\$ 23,322,109</u>

The deferred outflows of resources related to OPEB resulting from County contributions paid subsequent to the measurement date total \$6,046,901 and will be recognized as a reduction of the total OPEB liability in the fiscal year ending September 30, 2023.

Martin County, Florida
Notes to Financial Statements
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:

September 30:	Amount
2023	\$ (1,391,182)
2024	(1,391,182)
2025	(1,391,182)
2026	(682,997)
2027	358,397
Thereafter	(519)
Total	<u>\$ (4,498,665)</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, 2021, the average of the expected remaining service lives is 9.2 years for Agency employees and 9.5 years for employees of the Sheriff's Office.

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

Martin County, Florida
Notes to Financial Statements
September 30, 2022

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, 2020	\$ 3,202,350
Expenses incurred	42,443,140
Claims paid	<u>(43,366,745)</u>
Accounts payable & accrued insurance claims at September 30, 2021	2,278,745
Expenses incurred	46,477,067
Claims paid	<u>(46,625,910)</u>
Accounts payable & accrued insurance claims at September 30, 2022	<u><u>\$ 2,129,902</u></u>

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 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, 2022

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.

REQUIRED SUPPLEMENTARY
INFORMATION
(Unaudited)

Martin County, Florida
Required Supplementary Information (Unaudited)
September 30, 2022

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

Last 10 Fiscal Years¹

Measurement Year Ended September 30,	2021	2020	2019
Total OPEB liability:			
Service cost	\$ 5,428,730	\$ 5,063,860	\$ 4,554,660
Interest on the total OPEB liability	4,474,995	4,887,138	6,172,603
Difference between expected and actual experience of the total OPEB liability ²	6,399,648	-	9,201,131
Changes in assumptions and other inputs ³	(13,058,232)	3,238,073	1,215,401
Benefit payments	(5,820,054)	(5,347,200)	(4,859,717)
Net change in total OPEB liability	(2,574,913)	7,841,871	16,284,078
Total OPEB liability - beginning	183,165,713	175,323,842	159,039,764
Total OPEB liability - ending	<u>\$ 180,590,800</u>	<u>\$ 183,165,713</u>	<u>\$ 175,323,842</u>
Covered-employee payroll for the measurement period	\$ 105,573,079	\$ 116,500,509	\$ 111,865,282
Total OPEB liability as a percentage of covered-employee payroll	171.06 %	157.22 %	156.73 %

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, 2021, 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, 2021.

	<u>2018</u>	<u>2017</u>
\$	4,788,408	\$ 5,144,071
	5,720,398	5,227,897
	-	-
	(7,887,942)	(10,017,812)
	<u>(4,465,311)</u>	<u>(5,935,446)</u>
	(1,844,447)	(5,581,290)
	<u>160,884,211</u>	<u>166,465,501</u>
	<u>\$ 159,039,764</u>	<u>\$160,884,211</u>
\$	104,033,520	\$ 98,632,591
	152.87 %	163.11 %

Martin County, Florida
Required Supplementary Information (Unaudited)
September 30, 2022

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

Last 10 Fiscal Years*

	2022	2021	2020
Martin County's proportion of the net pension liability	0.493469040%	0.488834729%	0.521193850%
Martin County's proportionate share of the net pension liability	183,610,139	36,925,907	225,893,095
Martin County's covered payroll	\$ 126,184,900	\$ 120,683,029	\$ 115,751,825
Martin County's proportionate share of the net pension liability as a percentage of its covered payroll	145.51 %	30.60 %	195.15 %
Plan fiduciary net position as a percentage of the total pension liability	82.89 %	96.40 %	78.85 %

* The amounts presented for each fiscal year were determined as of June 30, 2022. 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*

	2022	2021	2020
Contractually required contribution	\$ 22,179,290	\$ 19,193,709	\$ 17,522,378
Contributions in relation to the contractually required contribution	(22,179,290)	(19,193,709)	(17,522,378)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Martin County covered payroll	\$ 131,383,654	\$ 121,769,740	\$ 116,500,509
Contributions as a percentage of covered payroll	16.88 %	15.76 %	15.04 %

* The amounts presented for each fiscal year were determined as of September 30, 2022. 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.

2019	2018	2017	2016	2015	2014
0.509115803%	0.489615465%	0.499175903%	0.501183440%	0.473666223%	0.480655463%
175,332,394	147,474,716	147,703,563	126,549,211	61,180,345	29,327,049
\$ 109,619,462	\$ 102,805,084	\$ 99,529,340	\$ 95,364,963	\$ 93,967,225	\$ 91,783,680
159.95 %	143.45 %	148.40 %	132.70 %	65.11 %	31.95 %
82.61 %	84.26 %	83.89 %	84.88 %	92.00 %	96.09 %

2019	2018	2017	2016	2015	2014
\$ 16,281,660	\$ 14,320,988	\$ 12,980,128	\$ 12,533,055	\$ 11,723,425	\$ 14,737,469
(16,281,660)	(14,320,988)	(12,980,128)	(12,533,055)	(11,723,425)	(14,737,469)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 111,865,282	\$ 104,033,520	\$ 98,632,591	\$ 95,308,577	\$ 94,440,184	\$ 92,335,490
14.55 %	13.77 %	13.16 %	13.15 %	12.41 %	15.96 %

Martin County, Florida
Required Supplementary Information (Unaudited)
September 30, 2022

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

Last 10 Fiscal Years*

	2022	2021	2020
Martin County's proportion of the net pension liability	0.344819522%	0.339891590%	0.332741937%
Martin County's proportionate share of the net pension liability	\$ 36,521,896	\$ 41,692,813	\$ 40,627,249
Martin County's covered payroll	\$ 126,184,900	\$ 120,683,029	\$ 115,751,825
Martin County's proportionate share of the net pension liability as a percentage of its covered payroll	28.94 %	34.55 %	35.10 %
Plan fiduciary net position as a percentage of the total pension liability	4.81 %	3.56 %	3.00 %

* The amounts presented for each fiscal year were determined as of June 30, 2022. 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*

	2022	2021	2020
Contractually required contribution	\$ 2,168,302	\$ 2,016,356	\$ 1,930,076
Contributions in relation to the contractually required contribution	(2,168,302)	(2,016,356)	(1,930,076)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Martin County's covered payroll	\$ 131,383,654	\$ 121,769,740	\$ 116,500,509
Contributions as a percentage of covered payroll	1.65 %	1.66 %	1.66 %

* The amounts presented for each fiscal year were determined as of September 30, 2022. 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.

2019	2018	2017	2016	2015	2014
0.326851124%	0.314140395%	0.311620376%	0.308091335%	0.309027731	0.308202302%
\$ 36,571,370	\$ 33,248,972	\$ 33,319,888	\$ 35,906,770	\$ 31,515,967	\$ 28,817,667
\$ 109,619,462	\$ 102,805,084	\$ 99,529,340	\$ 95,364,963	\$ 93,967,225	\$ 91,783,680
33.36 %	32.34 %	33.48 %	37.65 %	33.54 %	31.40 %
2.63 %	2.15 %	1.64 %	0.50 %	0.50 %	0.99 %

2019	2018	2017	2016	2015	2014
\$ 1,851,963	\$ 1,723,669	\$ 1,633,796	\$ 1,582,714	\$ 1,284,136	\$ 1,112,633
(1,851,963)	(1,723,669)	(1,633,796)	(1,582,714)	(1,284,136)	(1,112,633)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 111,865,282	\$ 104,033,520	\$ 98,632,591	\$ 95,298,577	\$ 94,440,184	\$ 92,335,490
1.66 %	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, 2022

	Special Revenue				
	District One MSTU	District Two MSTU	District Three MSTU	District Four MSTU	District Five MSTU
ASSETS					
Cash and cash equivalents	\$ 62,762	\$ 441,625	\$ 274,162	\$ 120,474	\$ 400,329
Investments	537,384	190,508	253,809	247,230	203,097
Accounts receivable	-	-	-	-	-
Assessments receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governmental agencies	-	-	-	-	-
Inventories	-	-	-	-	-
Assets held for resale or donation	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	\$ 600,146	\$ 632,133	\$ 527,971	\$ 367,704	\$ 603,426
LIABILITIES					
Accounts payable	\$ 735	\$ -	\$ 1,830	\$ -	\$ -
Accrued wages payable	-	-	-	-	-
Contracts payable - retainage	5,408	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governmental agencies	-	-	-	-	-
Total liabilities	6,143	-	1,830	-	-
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	-	-	-	-	345,000
Court operations	-	-	-	-	-
Capital projects	-	-	-	-	-
Other restricted purposes	-	-	-	-	-
Committed to:					
Ordinance/MSTU/Other	594,003	632,133	526,141	367,704	258,426
Ordinance/Judicial	-	-	-	-	-
Ordinance/Culture and recreation	-	-	-	-	-
Ordinance/CRA	-	-	-	-	-
Ordinance/Economic Development	-	-	-	-	-
Assigned to:					
Capital projects	-	-	-	-	-
Other assigned purposes	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	594,003	632,133	526,141	367,704	603,426
Total liabilities, deferred inflows and fund balances	\$ 600,146	\$ 632,133	\$ 527,971	\$ 367,704	\$ 603,426

Special Revenue

Unincorporated MSTUs	Other MSTUs	CRA Fund	SHIP - State Housing Grants	Local Grants
\$ 264,459	\$ 202,985	\$ 1,222,277	\$ 34,331	\$ 175,547
15,222,590	14,114,276	9,352,268	1,735,408	41,519
-	1,000	-	-	-
-	249,463	-	-	-
-	-	-	-	9,730
109,151	103,920	-	-	570,765
-	-	-	-	-
-	-	36,300	-	-
2,048	-	-	-	-
<u>\$ 15,598,248</u>	<u>\$ 14,671,644</u>	<u>\$ 10,610,845</u>	<u>\$ 1,769,739</u>	<u>\$ 797,561</u>
\$ 153,623	\$ 790,795	\$ 496,453	\$ 13,008	\$ 214,829
146,943	83,586	9,291	-	4,781
-	350,002	353,373	-	-
-	9,730	-	-	350,000
-	60,369	-	-	-
<u>300,566</u>	<u>1,294,482</u>	<u>859,117</u>	<u>13,008</u>	<u>569,610</u>
-	353,383	-	-	450,000
-	-	-	-	-
-	-	-	-	-
2,048	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	1,062,996	-	1,756,731	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
11,862,924	11,960,783	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	9,715,428	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,432,710	-	36,300	-	-
-	-	-	-	(222,049)
<u>15,297,682</u>	<u>13,023,779</u>	<u>9,751,728</u>	<u>1,756,731</u>	<u>(222,049)</u>
<u>\$ 15,598,248</u>	<u>\$ 14,671,644</u>	<u>\$ 10,610,845</u>	<u>\$ 1,769,739</u>	<u>\$ 797,561</u>

(continued)

Martin County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2022
(continued)

	Special Revenue					
	Other Impact Fees	Transportation Impact Fees	Public Safety	Judicial	Economic Development	Culture and Recreation
ASSETS						
Cash and cash equivalents	\$ 1,127,130	\$ 331,832	\$ 993,773	\$ 466,221	\$ 601,726	\$ 35,371
Investments	8,690,570	3,921,903	3,578,095	362,505	6,948,044	1,626,084
Accounts receivable	-	-	333	-	-	-
Assessments receivable	-	-	-	-	-	-
Due from other funds	-	-	14,242	-	-	-
Due from other governmental agencies	379,535	360,031	218,923	-	-	-
Inventories	-	-	-	-	-	-
Assets held for resale or donation	-	-	-	-	-	-
Prepaid items	-	-	-	-	6,075	-
Total assets	\$ 10,197,235	\$ 4,613,766	\$ 4,805,366	\$ 828,726	\$ 7,555,845	\$ 1,661,455
LIABILITIES						
Accounts payable	\$ 454,508	\$ 73,950	\$ 976,887	\$ 79,674	\$ 241,306	\$ -
Accrued wages payable	-	-	2,076	3,082	7,020	-
Contracts payable - retainage	180,388	43,366	-	-	-	-
Due to other funds	-	-	119,946	-	-	-
Due to other governmental agencies	-	-	-	-	-	-
Total liabilities	634,896	117,316	1,098,909	82,756	248,326	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	73,400	-	-	-
FUND BALANCES						
Nonspendable:						
Inventories	-	-	-	-	-	-
Permanent fund principal	-	-	-	-	-	-
Prepaid items	-	-	-	-	6,075	-
Restricted for:						
Bond covenants or debt service	-	-	-	-	-	-
Culture and recreation projects	5,118,248	-	-	-	-	-
Public safety	3,801,306	-	3,633,057	-	-	-
Housing grants and other	-	-	-	-	-	-
Court operations	-	-	-	222,338	-	-
Capital projects	51,747	4,496,450	-	-	-	-
Other restricted purposes	591,038	-	-	-	6,010,013	-
Committed to:						
Ordinance/MSTU/Other	-	-	-	-	-	-
Ordinance/Judicial	-	-	-	523,632	-	-
Ordinance/Culture and recreation	-	-	-	-	-	62,767
Ordinance/CRA	-	-	-	-	-	-
Ordinance/Economic Development	-	-	-	-	1,291,431	-
Assigned to:						
Capital projects	-	-	-	-	-	-
Other assigned purposes	-	-	-	-	-	1,598,688
Unassigned	-	-	-	-	-	-
Total fund balances	9,562,339	4,496,450	3,633,057	745,970	7,307,519	1,661,455
Total liabilities, deferred inflows and fund balances	\$ 10,197,235	\$ 4,613,766	\$ 4,805,366	\$ 828,726	\$ 7,555,845	\$ 1,661,455

Special Revenue				Debt Service		
Franchise Fees	Clerk Special Revenue	Sheriff Special Revenue	Total	Revenue Bonds	Bank Notes and Loans	Total
\$ 389,975	\$ 1,687,997	\$ 962,561	\$ 9,795,537	\$ 751,920	\$ 181,076	\$ 932,996
23,967,448	348,431	-	91,341,169	-	705,235	705,235
-	-	42,051	43,384	-	7,725	7,725
-	-	-	249,463	-	2,049,274	2,049,274
-	-	45,892	69,864	-	-	-
-	-	87,217	1,829,542	-	-	-
-	-	-	-	-	-	-
-	-	-	36,300	-	-	-
-	24,750	-	32,873	-	-	-
<u>\$24,357,423</u>	<u>\$ 2,061,178</u>	<u>\$ 1,137,721</u>	<u>\$ 103,398,132</u>	<u>\$ 751,920</u>	<u>\$ 2,943,310</u>	<u>\$ 3,695,230</u>
\$ 179,560	\$ 63,209	\$ 5,892	\$ 3,746,259	\$ -	\$ 2,589	\$ 2,589
6,919	503	-	264,201	-	-	-
136,298	-	-	1,068,835	1,260	5,460	6,720
-	-	151,819	631,495	-	40,960	40,960
-	-	-	60,369	-	-	-
<u>322,777</u>	<u>63,712</u>	<u>157,711</u>	<u>5,771,159</u>	<u>1,260</u>	<u>49,009</u>	<u>50,269</u>
-	-	-	876,783	-	2,049,274	2,049,274
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	24,750	-	32,873	-	-	-
-	-	-	-	750,660	845,027	1,595,687
-	-	-	5,118,248	-	-	-
-	-	980,010	8,414,373	-	-	-
64,984	-	-	3,229,711	-	-	-
-	1,972,716	-	2,195,054	-	-	-
-	-	-	4,548,197	-	-	-
-	-	-	6,601,051	-	-	-
23,969,662	-	-	50,171,776	-	-	-
-	-	-	523,632	-	-	-
-	-	-	62,767	-	-	-
-	-	-	9,715,428	-	-	-
-	-	-	1,291,431	-	-	-
-	-	-	-	-	-	-
-	-	-	5,067,698	-	-	-
-	-	-	(222,049)	-	-	-
<u>24,034,646</u>	<u>1,997,466</u>	<u>980,010</u>	<u>96,750,190</u>	<u>750,660</u>	<u>845,027</u>	<u>1,595,687</u>
<u>\$24,357,423</u>	<u>\$ 2,061,178</u>	<u>\$ 1,137,721</u>	<u>\$ 103,398,132</u>	<u>\$ 751,920</u>	<u>\$ 2,943,310</u>	<u>\$ 3,695,230</u>

(continued)

Martin County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2022
(continued)

	Capital Projects			Permanent Fund	
	Recreation Projects	Transportation Road Projects	Total	Port Salerno Memorial Trust	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 320,711	\$ 1,237,543	\$ 1,558,254	\$ 2,430	\$ 12,289,217
Investments	20,211,327	14,186,822	34,398,149	33,950	126,478,503
Accounts receivable	2,000	510	2,510	-	53,619
Assessments receivable	-	199,901	199,901	-	2,498,638
Due from other funds	753,082	-	753,082	-	822,946
Due from other governmental agencies	4,470,898	2,305,989	6,776,887	-	8,606,429
Inventories	-	765,515	765,515	-	765,515
Assets held for resale or donation	-	-	-	-	36,300
Prepaid items	1,774	495	2,269	-	35,142
Total assets	\$ 25,759,792	\$ 18,696,775	\$ 44,456,567	\$ 36,380	\$ 151,586,309
LIABILITIES					
Accounts payable	\$ 272,488	\$ 450,029	\$ 722,517	\$ 107	\$ 4,471,472
Accrued wages payable	6,243	91,458	97,701	-	361,902
Contracts payable - retainage	-	216,678	216,678	-	1,292,233
Due to other funds	40	15	55	-	672,510
Due to other governmental agencies	-	137,988	137,988	-	198,357
Total liabilities	278,771	896,168	1,174,939	107	6,996,474
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	4,470,898	510,252	4,981,150	-	7,907,207
FUND BALANCES					
Nonspendable:					
Inventories	-	765,515	765,515	-	765,515
Permanent fund principal	-	-	-	22,670	22,670
Prepaid items	1,774	495	2,269	-	35,142
Restricted for:					
Bond covenants or debt service	-	-	-	-	1,595,687
Culture and recreation projects	-	-	-	-	5,118,248
Public safety	-	-	-	-	8,414,373
Housing grants and other	1,382,160	-	1,382,160	-	4,611,871
Court operations	-	-	-	-	2,195,054
Capital projects	1,039,432	16,477,964	17,517,396	-	22,065,593
Other restricted purposes	-	-	-	13,603	6,614,654
Committed to:					
Ordinance/MSTU/Other	-	-	-	-	50,171,776
Ordinance/Judicial	-	-	-	-	523,632
Ordinance/Culture and recreation	-	-	-	-	62,767
Ordinance/CRA	-	-	-	-	9,715,428
Ordinance/Economic Development	-	-	-	-	1,291,431
Assigned to:					
Capital projects	18,586,757	46,381	18,633,138	-	18,633,138
Other assigned purposes	-	-	-	-	5,067,698
Unassigned	-	-	-	-	(222,049)
Total fund balances	21,010,123	17,290,355	38,300,478	36,273	136,682,628
Total liabilities, deferred inflows and fund balances	\$ 25,759,792	\$ 18,696,775	\$ 44,456,567	\$ 36,380	\$ 151,586,309

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, 2022

	Special Revenue				
	District One MSTU	District Two MSTU	District Three MSTU	District Four MSTU	District Five MSTU
REVENUES					
Taxes	\$ 302,264	\$ 218,335	\$ 210,158	\$ 202,541	\$ 252,968
Permits, fees and special assessments	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest income	5,527	3,497	3,106	2,138	1,248
Net change in fair value of investments	(5,432)	(1,453)	(1,935)	(1,885)	(1,549)
Contributions - private sources & donations	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-
Total revenues	302,359	220,379	211,329	202,794	252,667
EXPENDITURES					
Current:					
General government	36,619	18,096	79,761	95,162	92,187
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	4,553	-	-	-	-
Capital outlay	439,003	-	37,382	-	43,434
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Other debt service costs	-	-	-	-	-
Total expenditures	480,175	18,096	117,143	95,162	135,621
Excess (deficiency) of revenues over (under) expenditures	(177,816)	202,283	94,186	107,632	117,046
OTHER FINANCING SOURCES (USES)					
Payments to refunding agent	-	-	-	-	-
Issuance of debt	-	-	-	-	-
Transfers in	-	-	-	3,329	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	3,329	-
Net change in fund balances	(177,816)	202,283	94,186	110,961	117,046
Fund balances - beginning	771,819	429,850	431,955	256,743	486,380
Fund balances - ending	\$ 594,003	\$ 632,133	\$ 526,141	\$ 367,704	\$ 603,426

Special Revenue

Unincorporated MSTUs	Other MSTUs	CRA Fund	SHIP - State Housing Grants	Local Grants
\$ 1,224,435	\$ 13,508,598	\$ -	\$ -	\$ -
5,770,634	64,704	-	-	-
3,058,325	62,752	5,101,838	1,111,194	1,100,482
1,237,967	403,980	-	-	-
415,158	30,540	-	-	-
93,228	90,971	66,048	10,428	1,839
(112,723)	(129,099)	(61,858)	(11,685)	(352)
10,000	83,600	-	-	-
37,586	85,127	-	187,350	500
<u>11,734,610</u>	<u>14,201,173</u>	<u>5,106,028</u>	<u>1,297,287</u>	<u>1,102,469</u>
3,464,775	444,862	-	-	6,645
6,554,435	-	-	-	313,963
-	4,004,027	-	-	204,542
13,465	2,386,582	-	-	-
-	196,052	822,814	661,882	-
-	-	-	-	24,851
-	3,094,971	-	-	305,542
401,173	3,202,788	2,869,637	-	710,596
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>10,433,848</u>	<u>13,329,282</u>	<u>3,692,451</u>	<u>661,882</u>	<u>1,566,139</u>
<u>1,300,762</u>	<u>871,891</u>	<u>1,413,577</u>	<u>635,405</u>	<u>(463,670)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	250,000
<u>(300,000)</u>	<u>(417,544)</u>	<u>(708,205)</u>	<u>-</u>	<u>-</u>
<u>(300,000)</u>	<u>(417,544)</u>	<u>(708,205)</u>	<u>-</u>	<u>250,000</u>
1,000,762	454,347	705,372	635,405	(213,670)
<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>\$ 15,297,682</u>	<u>\$ 13,023,779</u>	<u>\$ 9,751,728</u>	<u>\$ 1,756,731</u>	<u>\$ (222,049)</u>

(continued)

Martin County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2022
(continued)

	Special Revenue					
	Other Impact Fees	Transportation Impact Fees	Public Safety	Judicial	Economic Development	Culture and Recreation
REVENUES						
Taxes	\$ -	\$ -	\$ 8,523,056	\$ -	\$ 4,507,395	\$ -
Permits, fees and special assessments	3,449,212	1,979,663	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-
Charges for services	-	-	1,036,758	894,512	-	-
Fines and forfeitures	-	-	75	-	-	-
Interest income	58,014	24,401	35,432	5,629	40,086	3,412
Net change in fair value of investments	(61,469)	(27,055)	(39,099)	(3,219)	(44,299)	(4,627)
Contributions - private sources & donations	-	588,498	-	-	-	1,600,000
Miscellaneous revenues	-	-	299,035	-	44,692	-
Total revenues	3,445,757	2,565,507	9,855,257	896,922	4,547,874	1,598,785
EXPENDITURES						
Current:						
General government	-	-	292,899	1,835,392	133,250	23,549
Public safety	120	-	4,017,519	-	-	-
Physical environment	20,568	-	-	-	438,469	-
Transportation	-	227,040	-	-	-	-
Economic environment	-	-	-	-	2,132,039	4,575
Human services	-	-	3,457,713	-	-	-
Culture and recreation	146,065	-	-	-	175,451	-
Capital outlay	1,468,835	847,640	-	-	177,876	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other debt service costs	-	-	-	-	-	-
Total expenditures	1,635,588	1,074,680	7,768,131	1,835,392	3,057,085	28,124
Excess (deficiency) of revenues over (under) expenditures	1,810,169	1,490,827	2,087,126	(938,470)	1,490,789	1,570,661
OTHER FINANCING SOURCES (USES)						
Payments to refunding agent	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Transfers in	-	-	508,279	1,140,973	533,000	50,000
Transfers out	(1,461,781)	(1,530,000)	(2,750,845)	(306,235)	-	(3,329)
Total other financing sources (uses)	(1,461,781)	(1,530,000)	(2,242,566)	834,738	533,000	46,671
Net change in fund balances	348,388	(39,173)	(155,440)	(103,732)	2,023,789	1,617,332
Fund balances - beginning	9,213,951	4,535,623	3,788,497	849,702	5,283,730	44,123
Fund balances - ending	\$ 9,562,339	\$ 4,496,450	\$ 3,633,057	\$ 745,970	\$ 7,307,519	\$ 1,661,455

Special Revenue				Debt Service		
Franchise Fees	Clerk Special Revenue	Sheriff Special Revenue	Total	Revenue Bonds	Bank Notes and Loans	Total
\$ -	\$ -	\$ -	\$ 28,949,750	\$ -	\$ -	\$ -
10,394,469	-	-	21,658,682	-	102,482	102,482
-	-	597,332	11,031,923	-	2,333,903	2,333,903
-	479,692	618,729	4,671,638	-	-	-
-	-	18,584	464,357	-	-	-
134,977	-	151	580,132	3,710	93,301	97,011
(160,504)	-	-	(668,243)	-	(6,833)	(6,833)
-	-	-	2,282,098	-	-	-
-	-	123,357	777,647	-	-	-
<u>10,368,942</u>	<u>479,692</u>	<u>1,358,153</u>	<u>69,747,984</u>	<u>3,710</u>	<u>2,522,853</u>	<u>2,526,563</u>
-	30,384	606,774	7,160,355	-	1,440	1,440
-	-	570,908	11,456,945	-	-	-
68,402	-	-	4,736,008	-	-	-
210,413	-	-	2,837,500	-	-	-
2,473	-	-	3,819,835	-	-	-
-	-	-	3,482,564	-	-	-
-	-	-	3,726,582	-	-	-
3,544,741	-	342,867	14,085,972	-	-	-
-	-	-	-	1,315,000	11,312,778	12,627,778
-	-	-	-	1,643,500	1,417,337	3,060,837
-	-	-	-	3,260	60,503	63,763
<u>3,826,029</u>	<u>30,384</u>	<u>1,520,549</u>	<u>51,305,761</u>	<u>2,961,760</u>	<u>12,792,058</u>	<u>15,753,818</u>
<u>6,542,913</u>	<u>449,308</u>	<u>(162,396)</u>	<u>18,442,223</u>	<u>(2,958,050)</u>	<u>10,269,205</u>	<u>(13,227,255)</u>
-	-	-	-	-	11,857,000	(11,857,000)
-	-	-	-	-	11,936,000	11,936,000
260,000	-	256,947	3,002,528	2,958,312	9,788,695	12,747,007
(525,209)	-	(99,031)	(8,102,179)	-	(9)	(9)
<u>(265,209)</u>	<u>-</u>	<u>157,916</u>	<u>(5,099,651)</u>	<u>2,958,312</u>	<u>9,867,686</u>	<u>12,825,998</u>
6,277,704	449,308	(4,480)	13,342,572	262	(401,519)	(401,257)
<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>\$ 24,034,646</u>	<u>\$ 1,997,466</u>	<u>\$ 980,010</u>	<u>\$ 96,750,190</u>	<u>\$ 750,660</u>	<u>\$ 845,027</u>	<u>\$ 1,595,687</u>

(continued)

Martin County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2022
(continued)

	Capital Projects			Permanent Fund	Total Nonmajor Governmental Funds
	Recreation Projects	Transportation Road Projects	Total	Port Salerno Memorial Trust	
REVENUES					
Taxes	\$ 6,056,769	\$ 8,328,006	\$ 14,384,775	\$ -	\$ 43,334,525
Permits, fees and special assessments	73,023	792,916	865,939	-	22,627,103
Intergovernmental revenues	1,072,871	2,932,316	4,005,187	-	17,371,013
Charges for services	-	757,385	757,385	-	5,429,023
Fines and forfeitures	-	-	-	-	464,357
Interest income	82,601	106,107	188,708	198	866,049
Net change in fair value of investments	(160,760)	(104,763)	(265,523)	(233)	(940,832)
Contributions - private sources & donations	-	222,500	222,500	-	2,504,598
Miscellaneous revenues	123,282	600,098	723,380	-	1,501,027
Total revenues	7,247,786	13,634,565	20,882,351	(35)	93,156,863
EXPENDITURES					
Current:					
General government	67,055	106,204	173,259	1,374	7,336,428
Public safety	-	-	-	-	11,456,945
Physical environment	1,984,587	-	1,984,587	-	6,720,595
Transportation	178	8,332,982	8,333,160	-	11,170,660
Economic environment	-	41,224	41,224	-	3,861,059
Human services	-	-	-	-	3,482,564
Culture and recreation	-	-	-	-	3,726,582
Capital outlay	77,745	1,748,230	1,825,975	-	15,911,947
Debt Service:					
Principal	-	-	-	-	12,627,778
Interest	-	-	-	-	3,060,837
Other debt service costs	-	-	-	-	63,763
Total expenditures	2,129,565	10,228,640	12,358,205	1,374	79,419,158
Excess (deficiency) of revenues over (under) expenditures	5,118,221	3,405,925	8,524,146	(1,409)	13,737,705
OTHER FINANCING SOURCES (USES)					
Payments to refunding agent	-	-	-	-	(11,857,000)
Issuance of debt	-	-	-	-	11,936,000
Transfers in	-	444,000	444,000	-	16,193,535
Transfers out	(5,449,477)	(1,077,234)	(6,526,711)	-	(14,628,899)
Total other financing sources (uses)	(5,449,477)	(633,234)	(6,082,711)	-	1,643,636
Net change in fund balances	(331,256)	2,772,691	2,441,435	(1,409)	15,381,341
Fund balances - beginning	21,341,379	14,517,664	35,859,043	37,682	121,301,287
Fund balances - ending	\$21,010,123	\$ 17,290,355	\$ 38,300,478	\$ 36,273	\$ 136,682,628

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, 2022

	Business Type Activities - Enterprise Funds		
	Airport	Sailfish Sands Golf Course	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 5,663	\$ 12,295	\$ 17,958
Investments	2,541,722	-	2,541,722
Accounts receivable	30,903	3,325	34,228
Leases receivable	210,217	-	210,217
Accrued interest receivable - leases	2,849	-	2,849
Receivables from other governmental agencies	1,233,068	-	1,233,068
Inventories	-	37,850	37,850
Assets held for resale or donation	113,400	-	113,400
Prepaid items	-	150	150
Total current assets	4,137,822	53,620	4,191,442
Noncurrent assets:			
Lease receivables	985,253	-	985,253
Capital assets:			
Land and land use rights - permanent	6,875,978	-	6,875,978
Buildings	7,067,260	1,258,259	8,325,519
Equipment	691,232	1,166,821	1,858,053
Land improvements	-	1,355,456	1,355,456
Airport improvements	37,352,312	-	37,352,312
Construction in progress	2,466,699	-	2,466,699
Intangible assets	80,076	-	80,076
Less accumulated depreciation	(22,116,039)	(2,317,749)	(24,433,788)
Capital assets, net	32,417,518	1,462,787	33,880,305
Total noncurrent assets	33,402,771	1,462,787	34,865,558
Total assets	37,540,593	1,516,407	39,057,000
DEFERRED OUTFLOWS OF RESOURCES			
Pension	112,864	42,871	155,735
Other postemployment benefits	29,351	10,744	40,095
Total deferred outflows of resources	142,215	53,615	195,830

Business Type Activities - Enterprise Funds			
	Airport	Sailfish Sands Golf Course	Totals
LIABILITIES			
Current liabilities:			
Payable from current assets:			
Accounts payable	810,027	148,084	958,111
Accrued wages payable	10,860	5,710	16,570
Accrued compensated absences, current	36,000	4,000	40,000
Unearned revenue	-	22,666	22,666
Total current liabilities	856,887	180,460	1,037,347
Noncurrent liabilities:			
Accrued compensated absences	15,679	5,476	21,155
Other postemployment benefits liability	130,711	47,844	178,555
Net pension liability	414,182	157,326	571,508
Total noncurrent liabilities	560,572	210,646	771,218
Total liabilities	1,417,459	391,106	1,808,565
DEFERRED INFLOWS OF RESOURCES			
Pension	21,337	8,105	29,442
Other postemployment benefits	20,778	7,605	28,383
Leases	1,105,730	-	1,105,730
Total deferred inflows of resources	1,147,845	15,710	1,163,555
NET POSITION			
Net investment in capital assets	32,417,519	1,462,788	33,880,307
Restricted:			
Noise abatement projects	113,400	-	113,400
Unrestricted	2,586,585	(299,582)	2,287,003
Total net position	\$ 35,117,504	\$ 1,163,206	\$ 36,280,710

Martin County, Florida
Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended September 30, 2022

	Business Type Activities - Enterprise Funds		
	Airport	Sailfish Sands Golf Course	Total
OPERATING REVENUES			
Charges for services	\$ 2,595,806	\$ 1,617,717	\$ 4,213,523
Miscellaneous revenues	26,503	59,555	86,058
Total operating revenues	2,622,309	1,677,272	4,299,581
OPERATING EXPENSES			
Salaries and related expenses	579,554	287,497	867,051
General and administrative and claims	790,076	7,419	797,495
Operating and maintenance	454,482	1,623,244	2,077,726
Depreciation	2,598,306	194,990	2,793,296
Total operating expenses	4,422,418	2,113,150	6,535,568
Operating loss	(1,800,109)	(435,878)	(2,235,987)
NONOPERATING REVENUES			
Interest income	51,901	306	52,207
Net change in fair value of investments	2,732	-	2,732
Grant income	413,774	-	413,774
Gain on disposition of capital assets	13,300	-	13,300
Total net nonoperating revenues	481,707	306	482,013
Loss before contributions and transfers	(1,318,402)	(435,572)	(1,753,974)
Capital contributions	3,494,080	129,022	3,623,102
Transfers in	-	100,000	100,000
Change in net position	2,175,678	(206,550)	1,969,128
Total net position - beginning	32,941,826	1,369,756	34,311,582
Total net position - ending	\$ 35,117,504	\$ 1,163,206	\$ 36,280,710

Martin County, Florida
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2022

	Airport	Sailfish Sands Golf Course	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 2,533,299	\$ 1,629,934	\$ 4,163,233
Other receipts	(11,035)	59,555	48,520
Payments for salaries and benefits	(637,016)	(275,766)	(912,782)
Payments to suppliers	(1,008,161)	(1,527,540)	(2,535,701)
Net cash provided (used) by operating activities	877,087	(113,817)	763,270
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	100,000	100,000
Net cash provided by noncapital financing activities	-	100,000	100,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital grants received	4,018,547	-	4,018,547
Purchases of capital assets	(4,239,834)	-	(4,239,834)
Proceeds from sale of assets	13,300	-	13,300
Net cash provided (used) by capital and related financing activities	(207,987)	-	(207,987)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and gains (loss) on investments	(760,869)	-	(760,869)
Interest received	51,900	306	52,206
Net cash provided (used) by investing activities	(708,969)	306	(708,663)
Change in cash and cash equivalents	(39,869)	(13,511)	(53,380)
Cash and cash equivalents - beginning of the year	45,532	25,806	71,338
Cash and cash equivalents - end of year	\$ 5,663	\$ 12,295	\$ 17,958
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating loss	\$ (1,800,109)	\$ (435,878)	\$ (2,235,987)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation and amortization	2,598,306	194,990	2,793,296
Changes in assets and liabilities:			
Accounts receivable, net	(7,456)	(3,372)	(10,828)
Lease receivable, net	(1,198,320)	-	(1,198,320)
Deferred outflows, pension	(16,662)	(11,683)	(28,345)
Deferred outflow, OPEB	(6,033)	(2,209)	(8,242)
Unearned revenue	-	15,589	15,589
Inventories	-	(27,314)	(27,314)
Other current assets	-	(150)	(150)
Accounts payable	236,398	130,587	366,985
Accrued wages	(21,872)	(5,002)	(26,874)
Deferred inflows, pension	(257,998)	(82,453)	(340,451)
Deferred inflows, OPEB	14,063	5,147	19,210
Deferred inflows, leases	1,105,730	-	1,105,730
Net pension liability	247,322	103,232	350,554
Other post-employment benefits	(4,366)	(1,598)	(5,964)
Accrued compensated absences	(11,916)	6,297	(5,619)
Net cash provided (used) by operating activities:	877,087	(113,817)	763,270
NONCASH INVESTING CAPITAL AND FINANCING ACTIVITIES			
Contributions of capital assets	\$ -	\$ 129,022	\$ 129,022

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 300,000	\$ 300,000	\$ 302,264	\$ 2,264
Interest income	-	-	5,527	5,527
Net change in fair value of investments	-	-	(5,432)	(5,432)
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>302,359</u>	<u>2,359</u>
EXPENDITURES:				
Current:				
General government	10,585	10,585	36,619	(26,034)
Culture and recreation	-	-	4,553	4,553
Capital outlay	289,415	1,061,233	439,003	622,230
Total expenditures	<u>300,000</u>	<u>1,071,818</u>	<u>480,175</u>	<u>591,643</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(771,818)</u>	<u>(177,816)</u>	<u>594,002</u>
Net change in fund balances	<u>-</u>	<u>(771,818)</u>	<u>(177,816)</u>	<u>\$ 594,002</u>
Fund balances, beginning	<u>-</u>	<u>771,818</u>	<u>771,819</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 594,003</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 215,000	\$ 215,000	\$ 218,335	\$ 3,335
Interest income	-	-	3,497	3,497
Net change in fair value of investments	-	-	(1,453)	(1,453)
Total revenues	<u>215,000</u>	<u>215,000</u>	<u>220,379</u>	<u>5,379</u>
EXPENDITURES:				
Current:				
General government	5,070	5,070	18,096	(13,026)
Capital outlay	209,930	639,780	-	639,780
Total expenditures	<u>215,000</u>	<u>644,850</u>	<u>18,096</u>	<u>626,754</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(429,850)</u>	<u>202,283</u>	<u>632,133</u>
Net change in fund balances	<u>-</u>	<u>(429,850)</u>	<u>202,283</u>	<u>\$ 632,133</u>
Fund balances, beginning	<u>-</u>	<u>429,850</u>	<u>429,850</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 632,133</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 208,000	\$ 208,000	\$ 210,158	\$ 2,158
Interest income	-	-	3,106	3,106
Net change in fair value of investments	-	-	(1,935)	(1,935)
Total revenues	<u>208,000</u>	<u>208,000</u>	<u>211,329</u>	<u>3,329</u>
EXPENDITURES:				
Current:				
General government	7,227	7,227	79,761	(72,534)
Capital outlay	200,773	632,727	37,382	595,345
Total expenditures	<u>208,000</u>	<u>639,954</u>	<u>117,143</u>	<u>522,811</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(431,954)</u>	<u>94,186</u>	<u>526,140</u>
Net change in fund balances	<u>-</u>	<u>(431,954)</u>	<u>94,186</u>	<u>\$ 526,140</u>
Fund balances, beginning	<u>-</u>	<u>431,954</u>	<u>431,955</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 526,141</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 200,000	\$ 200,000	\$ 202,541	\$ 2,541
Interest income	-	-	2,138	2,138
Net change in fair value of investments	-	-	(1,885)	(1,885)
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>202,794</u>	<u>2,794</u>
EXPENDITURES:				
Current:				
General government	6,293	6,293	95,162	(88,869)
Capital outlay	193,707	453,780	-	453,780
Total expenditures	<u>200,000</u>	<u>460,073</u>	<u>95,162</u>	<u>364,911</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(260,073)</u>	<u>107,632</u>	<u>367,705</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	3,329	3,329	-
Net change in fund balances	<u>-</u>	<u>(256,744)</u>	<u>110,961</u>	<u>\$ 367,705</u>
Fund balances, beginning	<u>-</u>	<u>256,744</u>	<u>256,743</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 367,704</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 250,000	\$ 250,000	\$ 252,968	\$ 2,968
Interest income	-	-	1,248	1,248
Net change in fair value of investments	-	-	(1,549)	(1,549)
Total revenues	250,000	250,000	252,667	2,667
EXPENDITURES:				
Current:				
General government	5,292	5,292	92,187	(86,895)
Transportation	-	8,000	-	8,000
Capital outlay	244,708	378,088	43,434	334,654
Total expenditures	250,000	391,380	135,621	255,759
Excess of revenues over expenditures	-	(141,380)	117,046	258,426
Transfers out	-	(345,000)	-	345,000
Net change in fund balances	-	(486,380)	117,046	\$ 603,426
Fund balances, beginning	-	486,380	486,380	
Fund balances, ending	\$ -	\$ -	\$ 603,426	

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 1,187,959	\$ 1,187,959	\$ 1,224,435	\$ 36,476
Permits, fees and special assessments	5,125,000	5,120,000	5,770,634	650,634
Intergovernmental revenues	2,629,251	2,629,251	3,058,325	429,074
Charges for services	1,007,000	1,007,000	1,237,967	230,967
Fines and forfeitures	306,500	306,500	415,158	108,658
Interest income	90,000	90,000	93,228	3,228
Net change in fair value of investments	-	-	(112,723)	(112,723)
Contributions - private sources & donations	-	10,000	10,000	-
Miscellaneous revenues	12,000	92,000	37,586	(54,414)
Statutory budget reduction	(110,000)	(110,000)	-	110,000
Total revenues	10,247,710	10,332,710	11,734,610	1,401,900
EXPENDITURES:				
Current:				
General government	3,907,915	4,267,930	3,464,775	803,155
Public safety	6,781,274	7,048,202	6,554,435	493,767
Transportation	14,105	14,105	13,465	640
Capital outlay	50,000	379,051	401,173	(22,122)
Total expenditures	10,753,294	11,709,288	10,433,848	1,275,440
Excess (deficiency) of revenues over (under) expenditures	(505,584)	(1,376,578)	1,300,762	2,677,340
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(300,000)	(300,000)	-
Reserves	(3,694,416)	(12,620,340)	-	12,620,340
Total other financing sources (uses)	(3,694,416)	(12,920,340)	(300,000)	12,620,340
Net change in fund balances	(4,200,000)	(14,296,918)	1,000,762	\$ 15,297,680
Fund balances, beginning	4,200,000	14,296,918	14,296,920	
Fund balances, ending	\$ -	\$ -	\$ 15,297,682	

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 13,344,973	\$ 13,344,973	\$ 13,508,598	\$ 163,625
Permits, fees and special assessments	25,000	25,000	64,704	39,704
Intergovernmental revenues	6,200	122,721	62,752	(59,969)
Charges for services	400,000	400,000	403,980	3,980
Fines and forfeitures	-	-	30,540	30,540
Interest income	55,000	55,000	90,971	35,971
Net change in fair value of investments	-	-	(129,099)	(129,099)
Contributions - private sources & donations	2,000	2,000	83,600	81,600
Miscellaneous revenues	-	-	85,127	85,127
Statutory budget reduction	(39,000)	(39,000)	-	39,000
Total revenues	13,794,173	13,910,694	14,201,173	290,479
EXPENDITURES:				
Current:				
General government	426,802	426,802	444,862	(18,060)
Physical environment	4,389,971	5,113,937	4,004,027	1,109,910
Transportation	2,491,175	2,611,175	2,386,582	224,593
Economic environment	149,814	160,414	196,052	(35,638)
Culture and recreation	3,229,987	3,254,987	3,094,971	160,016
Capital outlay	2,889,133	11,092,897	3,202,788	7,890,109
Total expenditures	13,576,882	22,660,212	13,329,282	9,330,930
Excess (deficiency) of revenues over (under) expenditures	217,291	(8,749,518)	871,891	9,621,409
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(1,498,444)	(417,544)	1,080,900
Reserves	(378,382)	(2,321,471)	-	2,321,471
Total other financing sources (uses)	(378,382)	(3,819,915)	(417,544)	3,402,371
Net change in fund balances	(161,091)	(12,569,433)	454,347	\$ 13,023,780
Fund balances, beginning	161,091	12,569,433	12,569,432	
Fund balances, ending	\$ -	\$ -	\$ 13,023,779	

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Intergovernmental revenues	\$ 5,214,487	\$ 5,101,838	\$ 5,101,838	\$ -
Interest income	-	-	66,048	66,048
Net change in fair value of investments	-	-	(61,858)	(61,858)
Total revenues	<u>5,214,487</u>	<u>5,101,838</u>	<u>5,106,028</u>	<u>4,190</u>
EXPENDITURES:				
Current:				
Economic environment	678,534	762,534	822,814	(60,280)
Capital outlay	3,816,518	12,372,709	2,869,637	9,503,072
Total expenditures	<u>4,495,052</u>	<u>13,135,243</u>	<u>3,692,451</u>	<u>9,442,792</u>
Excess (deficiency) of revenues over (under) expenditures	<u>719,435</u>	<u>(8,033,405)</u>	<u>1,413,577</u>	<u>9,446,982</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(708,205)	(1,008,205)	(708,205)	300,000
Reserves	(11,230)	(1,230)	-	1,230
Total other financing sources (uses):	<u>(719,435)</u>	<u>(1,009,435)</u>	<u>(708,205)</u>	<u>301,230</u>
Net change in fund balances	-	(9,042,840)	705,372	<u>\$ 9,748,212</u>
Fund balances, beginning	-	9,042,840	9,046,356	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,751,728</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Intergovernmental revenues	\$ -	\$ 1,084,184	\$ 1,111,194	\$ 27,010
Interest income	-	-	10,428	10,428
Net change in fair value of investments	-	-	(11,685)	(11,685)
Miscellaneous revenues	-	63,871	187,350	123,479
Total revenues	-	1,148,055	1,297,287	149,232
EXPENDITURES:				
Current:				
Economic environment	-	2,269,381	661,882	1,607,499
Excess (deficiency) of revenues over (under) expenditures	-	(1,121,326)	635,405	1,756,731
Net change in fund balances	-	(1,121,326)	635,405	<u>\$ 1,756,731</u>
Fund balances, beginning	-	1,121,326	1,121,326	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,756,731</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Intergovernmental revenues	\$ 226,114	\$ 3,043,335	\$ 1,100,482	\$ (1,942,853)
Interest income	-	-	1,839	1,839
Net change in fair value of investments	-	-	(352)	(352)
Total revenues	<u>226,114</u>	<u>3,043,335</u>	<u>1,102,469</u>	<u>(1,940,866)</u>
EXPENDITURES:				
Current:				
General government	-	7,500	6,645	855
Public safety	226,114	890,417	313,963	576,454
Physical environment	-	354,542	204,542	150,000
Human services	-	160,206	24,851	135,355
Culture and recreation	-	664,044	305,542	358,502
Capital outlay	-	1,786,190	710,596	1,075,594
Total expenditures	<u>226,114</u>	<u>3,862,899</u>	<u>1,566,139</u>	<u>2,296,760</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(819,564)</u>	<u>(463,670)</u>	<u>355,894</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	711,190	250,000	(461,190)
Net change in fund balances	-	(108,374)	(213,670)	<u>\$ (105,296)</u>
Fund balances, beginning	-	108,374	(8,379)	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (222,049)</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Permits, fees and special assessments	\$ 1,760,000	\$ 1,980,000	\$ 3,449,212	\$ 1,469,212
Interest income	3,000	3,000	58,014	55,014
Net change in fair value of investments	-	-	(61,469)	(61,469)
Total revenues	<u>1,763,000</u>	<u>1,983,000</u>	<u>3,445,757</u>	<u>1,462,757</u>
EXPENDITURES:				
Current:				
General government	-	497,587	-	497,587
Public safety	10,000	10,000	120	9,880
Physical environment	-	255,764	20,568	235,196
Culture and recreation	-	-	146,065	(146,065)
Capital outlay	180,000	4,935,665	1,468,835	3,466,830
Total expenditures	<u>190,000</u>	<u>5,699,016</u>	<u>1,635,588</u>	<u>4,063,428</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,573,000</u>	<u>(3,716,016)</u>	<u>1,810,169</u>	<u>5,526,185</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(291,926)	(1,389,215)	(1,461,781)	(72,566)
Reserves	(1,573,000)	(4,108,715)	-	4,108,715
Total other financing sources (uses)	<u>(1,864,926)</u>	<u>(5,497,930)</u>	<u>(1,461,781)</u>	<u>(4,036,149)</u>
Net change in fund balances	<u>(291,926)</u>	<u>(9,213,946)</u>	<u>348,388</u>	<u>\$ 9,562,334</u>
Fund balances, beginning	<u>291,926</u>	<u>9,213,946</u>	<u>9,213,951</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,562,339</u>	

Martin County, Florida
Nonmajor Special Revenue Funds
Transportation Impact Fees
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Permits, fees and special assessments	\$ 715,000	\$ 866,776	\$ 1,979,663	\$ 1,112,887
Interest income	-	-	24,401	24,401
Net change in fair value of investments	-	-	(27,055)	(27,055)
Contributions - private sources & donations	167,400	707,727	588,498	(119,229)
Total revenues	882,400	1,574,503	2,565,507	991,004
EXPENDITURES:				
Current:				
Transportation	-	-	227,040	(227,040)
Capital outlay	167,400	2,035,853	847,640	1,188,213
Total expenditures	167,400	2,035,853	1,074,680	961,173
Excess (deficiency) of revenues over (under) expenditures	715,000	(461,350)	1,490,827	1,952,177
OTHER FINANCING SOURCES (USES):				
Transfers out	(900,000)	(1,530,000)	(1,530,000)	-
Reserves	(715,000)	(2,544,271)	-	2,544,271
Total other financing sources (uses)	(1,615,000)	(4,074,271)	(1,530,000)	2,544,271
Net change in fund balances	(900,000)	(4,535,621)	(39,173)	\$ 4,496,448
Fund balances, beginning	900,000	4,535,621	4,535,623	
Fund balances, ending	\$ -	\$ -	\$ 4,496,450	

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 8,411,419	\$ 8,411,419	\$ 8,523,056	\$ 111,637
Charges for services	800,000	800,000	1,036,758	236,758
Fines and forfeitures	3,000	3,000	75	(2,925)
Interest income	20,500	20,500	35,432	14,932
Net change in fair value of investments	-	-	(39,099)	(39,099)
Miscellaneous revenues	85,000	85,000	299,035	214,035
Total revenues	9,319,919	9,319,919	9,855,257	535,338
EXPENDITURES:				
Current:				
General government	247,250	348,030	292,899	55,131
Public safety	4,445,111	4,445,111	4,017,519	427,592
Human services	4,572,046	4,575,466	3,457,713	1,117,753
Capital outlay	163,693	163,693	-	163,693
Total expenditures	9,428,100	9,532,300	7,768,131	1,764,169
Excess (deficiency) of revenues over (under) expenditures	(108,181)	(212,381)	2,087,126	2,299,507
OTHER FINANCING SOURCES (USES):				
Transfers in	544,037	544,037	508,279	(35,758)
Transfers out	(798,448)	(2,969,117)	(2,750,845)	218,272
Reserves	(182,176)	(1,283,834)	-	1,283,834
Total other financing sources (uses)	(436,587)	(3,708,914)	(2,242,566)	1,466,348
Net change in fund balances	(544,768)	(3,921,295)	(155,440)	\$ 3,765,855
Fund balances, beginning	544,768	3,921,295	3,788,497	
Fund balances, ending	\$ -	\$ -	\$ 3,633,057	

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Charges for services	\$ 980,000	\$ 980,000	\$ 894,512	\$ (85,488)
Interest income	1,720	1,720	5,629	3,909
Net change in fair value of investments	-	-	(3,219)	(3,219)
Total revenues	981,720	981,720	896,922	(84,798)
EXPENDITURES:				
Current:				
General government	1,760,378	1,963,878	1,835,392	128,486
Capital outlay	35,102	35,102	-	35,102
Total expenditures	1,795,480	1,998,980	1,835,392	163,588
Deficiency of revenues under expenditures	(813,760)	(1,017,260)	(938,470)	78,790
OTHER FINANCING SOURCES (USES):				
Transfers in	940,973	1,140,973	1,140,973	-
Transfers out	(306,235)	(306,235)	(306,235)	-
Reserves	(10,820)	(667,177)	-	667,177
Total other financing sources (uses)	623,918	167,561	834,738	667,177
Net change in fund balances	(189,842)	(849,699)	(103,732)	\$ 745,967
Fund balances, beginning	189,842	849,699	849,702	
Fund balances, ending	\$ -	\$ -	\$ 745,970	

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 2,822,316	\$ 2,822,316	\$ 4,507,395	\$ 1,685,079
Interest income	12,000	12,000	40,086	28,086
Net change in fair value of investments	-	-	(44,299)	(44,299)
Miscellaneous revenues	-	-	44,692	44,692
Statutory budget reduction	(125,000)	(125,000)	-	125,000
Total revenues	<u>2,709,316</u>	<u>2,709,316</u>	<u>4,547,874</u>	<u>1,838,558</u>
EXPENDITURES:				
Current:				
General government	103,000	1,139,463	133,250	1,006,213
Physical environment	500,000	1,500,000	438,469	1,061,531
Economic environment	1,929,316	5,020,785	2,132,039	2,888,746
Culture and recreation	189,173	189,173	175,451	13,722
Capital outlay	210,827	277,261	177,876	99,385
Total expenditures	<u>2,932,316</u>	<u>8,126,682</u>	<u>3,057,085</u>	<u>5,069,597</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(223,000)</u>	<u>(5,417,366)</u>	<u>1,490,789</u>	<u>6,908,155</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	233,000	533,000	533,000	-
Reserves	(10,000)	(420,000)	-	420,000
Total other financing sources (uses)	<u>223,000</u>	<u>113,000</u>	<u>533,000</u>	<u>420,000</u>
Net change in fund balances	-	(5,304,366)	2,023,789	<u>\$ 7,328,155</u>
Fund balances, beginning	-	5,304,366	5,283,730	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,307,519</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 3,412	\$ 3,412
Net change in fair value of investments	\$ -	\$ -	\$ (4,627)	\$ (4,627)
Contributions - private sources & donations	-	1,600,000	1,600,000	-
Total revenues	-	1,600,000	1,598,785	(1,215)
EXPENDITURES:				
Current:				
General government	35,500	76,294	23,549	52,745
Economic environment	14,500	14,500	4,575	9,925
Culture and recreation	-	1,600,000	-	1,600,000
Total expenditures	50,000	1,690,794	28,124	1,662,670
Excess (deficiency) of revenues over (under) expenditures	(50,000)	(90,794)	1,570,661	1,661,455
OTHER FINANCING SOURCES (USES):				
Transfers in	50,000	50,000	50,000	-
Transfers out	-	3,329	(3,329)	-
Net change in fund balances	-	(44,123)	1,617,332	\$ 1,661,455
Fund balances, beginning	-	44,123	44,123	
Fund balances, ending	\$ -	\$ -	\$ 1,661,455	

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Permits, fees and special assessments	\$ 8,741,000	\$ 8,741,000	\$ 10,394,469	\$ 1,653,469
Interest income	-	-	134,977	134,977
Net change in fair value of investments	-	-	(160,504)	(160,504)
Total revenues	<u>8,741,000</u>	<u>8,741,000</u>	<u>10,368,942</u>	<u>1,627,942</u>
EXPENDITURES:				
Current:				
Physical environment	-	-	68,402	(68,402)
Transportation	-	435,807	210,413	225,394
Economic environment	-	-	2,473	(2,473)
Capital outlay	8,557,000	22,056,741	3,544,741	18,512,000
Total expenditures	<u>8,557,000</u>	<u>22,492,548</u>	<u>3,826,029</u>	<u>18,666,519</u>
Excess (deficiency) of revenues over (under) expenditures	<u>184,000</u>	<u>(13,751,548)</u>	<u>6,542,913</u>	<u>20,294,461</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	260,000	260,000	260,000	-
Transfers out	(444,000)	(590,193)	(525,209)	64,984
Reserves	-	(3,675,200)	-	3,675,200
Net change in fund balances	-	(17,756,941)	6,277,704	<u>\$ 24,034,645</u>
Fund balances, beginning	-	17,756,941	17,756,942	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,034,646</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Charges for services	\$ 516,000	\$ 516,000	\$ 479,692	\$ (36,308)
EXPENDITURES:				
Current:				
General government	610,414	610,414	30,384	580,030
Excess (deficiency) of revenues over (under) expenditures	(94,414)	(94,414)	449,308	543,722
OTHER FINANCING SOURCES (USES):				
Reserves	(1,397,729)	(1,397,729)	-	1,397,729
Net change in fund balances	(1,492,143)	(1,492,143)	449,308	\$ 1,941,451
Fund balances, beginning	1,492,143	1,492,143	1,548,158	
Fund balances, ending	\$ -	\$ -	\$ 1,997,466	

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 3,710	\$ 3,710
EXPENDITURES:				
Debt service				
Principal	1,315,000	1,315,000	1,315,000	-
Interest	1,643,500	1,643,500	1,643,500	-
Other debt service costs	16,185	16,185	3,260	12,925
Total expenditures	<u>2,974,685</u>	<u>2,974,685</u>	<u>2,961,760</u>	<u>12,925</u>
Deficiency of revenues under expenditures	<u>(2,974,685)</u>	<u>(2,974,685)</u>	<u>(2,958,050)</u>	<u>16,635</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	2,972,185	2,972,185	2,958,312	(13,873)
Reserves	-	(747,897)	-	747,897
Net change in fund balances	<u>(2,500)</u>	<u>(750,397)</u>	<u>262</u>	<u>\$ 750,659</u>
Fund balances, beginning	<u>2,500</u>	<u>750,397</u>	<u>750,398</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 750,660</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Permits, fees and special assessments	\$ 179,643	\$ 179,643	\$ 102,482	\$ (77,161)
Intergovernmental revenues	\$ 2,406,912	\$ 2,406,912	\$ 2,333,903	\$ (73,009)
Interest income	-	-	93,301	93,301
Net change in fair value of investments	-	-	(6,833)	(6,833)
Total revenues	2,586,555	2,586,555	2,522,853	(63,702)
EXPENDITURES:				
General government	-	29,069	1,440	27,629
Debt service				
Principal	6,214,139	19,663,254	11,312,778	8,350,476
Interest	1,369,160	1,394,377	1,417,336	(22,959)
Other debt service costs	25,929	79,713	60,503	19,210
Total expenditures	7,609,228	21,166,413	12,792,057	8,374,356
Deficiency of revenues under expenditures	(5,022,673)	(18,579,858)	(10,269,204)	8,310,654
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	11,936,001	11,936,000	(1)
Payments to refunding agent	-	-	(11,857,000)	(11,857,000)
Transfers in	4,850,321	9,798,441	9,788,695	(9,746)
Transfers out	-	-	(10)	(10)
Reserves	(7,000)	(4,401,125)	-	4,401,125
Total other financing sources (uses)	4,843,321	17,333,317	9,867,685	(7,465,632)
Net change in fund balances	(179,352)	(1,246,541)	(401,519)	\$ 845,022
Fund balances, beginning	179,352	1,246,541	1,246,546	
Fund balances, ending	\$ -	\$ -	\$ 845,027	

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 13,026,363	\$ 13,026,363	\$ 13,201,672	\$ 175,309
Permits, fees and special assessments	150,000	142,000	146,046	4,046
Intergovernmental revenues	165,000	165,000	127,106	(37,894)
Fines and forfeitures	140,000	140,000	118,017	(21,983)
Interest income	90,000	90,000	307,083	217,083
Net change in fair value of investments	-	-	(382,350)	(382,350)
Contributions - private sources & donations	-	102,223	30,748	(71,475)
Miscellaneous revenues	-	-	39,539	39,539
Statutory budget reduction	(19,750)	(19,750)	-	19,750
Total revenues	13,551,613	13,645,836	13,587,861	(57,975)
EXPENDITURES:				
Current:				
General government	614,665	622,465	1,472,955	(850,490)
Public safety	-	-	181,603	(181,603)
Physical environment	715,000	1,720,543	959,748	760,795
Transportation	-	759,189	680,975	78,214
Culture and recreation	-	-	978,545	(978,545)
Capital outlay	12,009,355	57,894,908	23,954,667	33,940,241
Debt service:				
Principal	1,789,244	1,789,244	1,838,576	(49,332)
Interest	406,843	406,843	410,577	(3,734)
Other debt service costs	2,000	2,000	-	2,000
Total expenditures	15,537,107	63,195,192	30,477,646	32,717,546
Deficiency of revenues under expenditures	(1,985,494)	(49,549,356)	(16,889,785)	32,659,571
OTHER FINANCING SOURCES (USES):				
Issuance of long term leases	-	-	160,535	160,535
Transfers in	2,056,088	2,056,088	2,056,088	-
Transfers out	(200,000)	(862,016)	(240,811)	621,205
Reserves	(8,415)	(5,525,932)	-	5,525,932
Total other financing sources (uses)	1,847,673	(4,331,860)	1,975,812	6,307,672
Net change in fund balances	(137,821)	(53,881,216)	(14,913,973)	\$ 38,967,243
Fund balances, beginning	137,821	53,881,216	53,803,489	
Fund balances, ending	\$ -	\$ -	\$ 38,889,516	

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 5,975,151	\$ 5,975,151	\$ 6,056,769	\$ 81,618
Permits, fees and special assessments	75,000	70,000	73,023	3,023
Intergovernmental revenues	-	4,785,796	1,072,871	(3,712,925)
Interest income	50,000	50,000	82,601	32,601
Net change in fair value of investments	-	-	(160,760)	(160,760)
Miscellaneous revenues	115,000	115,000	123,282	8,282
Statutory budget reduction	(2,500)	(2,500)	-	2,500
Total revenues	6,212,651	10,993,447	7,247,786	(3,745,661)
EXPENDITURES:				
Current:				
General government	62,350	62,350	67,055	(4,705)
Physical environment	6,113,802	12,493,388	1,984,587	10,508,801
Transportation	-	-	178	(178)
Capital outlay	-	3,361,403	77,745	3,283,658
Total expenditures	6,176,152	15,917,141	2,129,565	13,787,576
Excess (deficiency) of revenues over (under) expenditures	36,499	(4,923,694)	5,118,221	10,041,915
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(6,838,925)	(5,449,477)	1,389,448
Reserves	(137,234)	(9,578,744)	-	9,578,744
Total other financing sources (uses)	137,234	16,417,669	(5,449,477)	10,968,192
Net change in fund balances	(100,735)	(21,341,363)	(331,256)	\$ 21,010,107
Fund balances, beginning	100,735	21,341,363	21,341,379	
Fund balances, ending	\$ -	\$ -	\$ 21,010,123	

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 7,399,975	\$ 7,999,975	\$ 8,328,006	\$ 328,031
Permits, fees and special assessments	590,000	590,000	792,916	202,916
Intergovernmental revenues	2,600,000	2,600,000	2,932,316	332,316
Charges for services	704,038	704,038	757,385	53,347
Interest income	65,875	65,875	106,107	40,232
Net change in fair value of investments	-	-	(104,763)	(104,763)
Contributions - private sources & donations	-	-	222,500	222,500
Miscellaneous revenues	60,000	154,200	600,098	445,898
Statutory budget reduction	(196,120)	(196,120)	-	196,120
Total revenues	11,223,768	11,917,968	13,634,565	1,716,597
EXPENDITURES:				
Current:				
General government	115,388	115,388	106,204	9,184
Transportation	8,695,329	9,631,210	8,332,982	1,298,228
Economic environment	29,654	29,654	41,224	(11,570)
Capital outlay	1,672,800	5,858,603	1,748,230	4,110,373
Debt service				
Total expenditures	10,513,171	15,634,855	10,228,640	5,406,215
Excess (deficiency) of revenues over (under) expenditures	710,597	(3,716,887)	3,405,925	7,122,812
OTHER FINANCING SOURCES (USES):				
Transfers in	444,000	444,000	444,000	-
Transfers out	(208,052)	(1,078,204)	(1,077,234)	970
Reserves	(1,146,545)	(9,717,797)	-	9,717,797
Total other financing sources (uses)	(910,597)	(10,352,001)	(633,234)	9,718,767
Net change in fund balances	(200,000)	(14,068,888)	2,772,691	\$ 16,841,579
Fund balances, beginning	200,000	14,068,888	14,517,664	
Fund balances, ending	\$ -	\$ -	\$ 17,290,355	



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INTERNAL SERVICE FUNDS
COMBINING STATEMENTS

Martin County, Florida
Internal Service Funds
Combining Statement of Net Position
September 30, 2022

	Self-Insurance	Vehicle Maintenance	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 7,195,103	\$ 751,081	\$ 7,946,184
Restricted cash	393,500	-	393,500
Investments	4,317,608	2,151,986	6,469,594
Accounts receivable	1,146,044	36,420	1,182,464
Due from other funds	430,931	21,471	452,402
Due from other governmental agencies	-	4,791	4,791
Inventories	-	181,385	181,385
Prepaid items	4,000	-	4,000
Total current assets	13,487,186	3,147,134	16,634,320
Noncurrent assets:			
Equipment	21,267	5,311,180	5,332,447
Less accumulated depreciation	(19,495)	(4,227,521)	(4,247,016)
Capital assets, net	1,772	1,083,659	1,085,431
Total assets	13,488,958	4,230,793	17,719,751
LIABILITIES			
Current liabilities:			
Accounts payable and accrued claims	2,129,902	147,896	2,277,798
Accrued wages payable	-	11,931	11,931
Accrued compensated absences, current	-	46,000	46,000
Total current liabilities	2,129,902	205,827	2,335,729
Noncurrent liabilities:			
Accrued compensated absences	-	9,485	9,485
Total liabilities	2,129,902	215,312	2,345,214
NET POSITION			
Net investment in capital assets	1,772	1,083,659	1,085,431
Unrestricted	11,357,284	2,931,822	14,289,106
Total net position	\$ 11,359,056	\$ 4,015,481	\$ 15,374,537

Martin County, Florida
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2022

	<u>Self-Insurance</u>	<u>Vehicle Maintenance</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 40,996,232	\$ 1,692,478	\$ 42,688,710
Miscellaneous revenues	4,496,501	53	4,496,554
Total operating revenues	<u>45,492,733</u>	<u>1,692,531</u>	<u>47,185,264</u>
OPERATING EXPENSES			
Salaries and related expenses	-	630,046	630,046
General and administrative and claims	47,009,431	524,808	47,534,239
Depreciation	7,089	550,343	557,432
Total operating expenses	<u>47,016,520</u>	<u>1,705,197</u>	<u>48,721,717</u>
Operating income (loss)	<u>(1,523,787)</u>	<u>(12,666)</u>	<u>(1,536,453)</u>
NONOPERATING REVENUES			
Interest income	34,270	(166)	34,104
Gain on disposition of capital assets	-	192,489	192,489
Total net nonoperating revenues	<u>34,270</u>	<u>192,323</u>	<u>226,593</u>
Transfers in	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>
Change in net position	510,483	179,657	690,140
Total net position - beginning	<u>10,848,573</u>	<u>3,835,824</u>	<u>14,684,397</u>
Total net position - ending	<u>\$ 11,359,056</u>	<u>\$ 4,015,481</u>	<u>\$ 15,374,537</u>

Martin County, Florida
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended September 30, 2022

	Self-Insurance	Vehicle Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 40,714,223	\$ 1,681,361	\$ 42,395,584
Other receipts	4,496,501	53	4,496,554
Payments for salaries and benefits	-	(649,071)	(649,071)
Payments to suppliers	(47,158,273)	(575,249)	(47,733,522)
Net cash provided (used) by operating activities	(1,947,549)	457,094	(1,490,455)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:			
Transfers from other funds	2,000,000	-	2,000,000
Net cash provided (used) by noncapital financing activities	2,000,000	-	2,000,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of capital assets	-	(428,717)	(428,717)
Proceeds from sale of assets	-	192,816	192,816
Net cash provided (used) for capital and related financing activities	-	(235,901)	(235,901)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and gain (loss) on investments	(693,348)	229,140	(464,208)
Interest received	34,270	(166)	34,104
Net cash provided (used) in investing activities	(659,078)	228,974	(430,104)
Net change in cash and cash equivalents	(606,627)	450,167	(156,460)
Cash and cash equivalents - beginning of year	8,195,230	300,914	8,496,144
Cash and cash equivalents - end of year	\$ 7,588,603	\$ 751,081	\$ 8,339,684
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (1,523,787)	\$ (12,666)	\$ (1,536,453)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation and amortization	7,089	550,345	557,434
Changes in assets and liabilities:			
Accounts receivable, net	(247,516)	(7,050)	(254,566)
Due from other funds	(34,493)	(4,067)	(38,560)
Inventories	-	(26,881)	(26,881)
Accounts payable	(148,842)	(23,561)	(172,403)
Accrued wages	-	(20,386)	(20,386)
Accrued compensated absences	-	1,361	1,361
Net cash provided (used) by operating activities	\$ (1,947,549)	\$ 457,095	\$ (1,490,454)

COMBINING STATEMENTS OF
FIDUCIARY NET POSITION

Martin County, Florida
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
September 30, 2022

	Private Purpose Trust		
	Annie E Meyers Trust Fund	D Slosberg Driver Education Trust	Total
ASSETS			
Cash and cash equivalents	\$ 9,225	\$ 30,852	\$ 40,077
Investments	365,551	6,210	371,761
Total assets	374,776	37,062	411,838
LIABILITIES			
Accounts payable and accrued claims	45,903	-	45,903
Total liabilities	45,903	-	45,903
NET POSITION			
Held in trust	<u>\$ 328,873</u>	<u>\$ 37,062</u>	<u>\$ 365,935</u>

Martin County, Florida
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Year Ended September 30, 2022

	Private Purpose Trust		
	Annie E Meyers Trust Fund	D Slosberg Driver Education Trust	Total
ADDITIONS:			
Fines and forfeitures	\$ -	\$ 57,970	\$ 57,970
Interest income	2,520	127	2,647
Net change in fair value of investments	(3,055)	(47)	(3,102)
Total additions	(535)	58,050	57,515
DEDUCTIONS:			
General government	5,043	-	5,043
Human services	-	73,908	73,908
Capital outlay	95,055	-	95,055
Total deductions	100,098	73,908	174,006
Change in net position	(100,633)	(15,858)	(116,491)
Net position - beginning	429,506	52,920	482,426
Net position - ending	<u>\$ 328,873</u>	<u>\$ 37,062</u>	<u>\$ 365,935</u>

Martin County, Florida
Combining Statement of Fiduciary Net Position
Custodial Funds
As of September 30, 2022

	Custodial Funds				
	Board of County Commissioners	Clerk of the Circuit Court	Sheriff	Tax Collector	Total
ASSETS					
Cash and cash equivalents	\$ 627,718	\$ 6,239,986	\$ 702,346	\$ 4,892,805	\$ 12,462,855
Investments	1,353,795	183,334	-	-	1,537,129
Accounts receivable	-	-	-	331,599	331,599
Total assets	1,981,513	6,423,320	702,346	5,224,404	14,331,583
LIABILITIES					
Accounts payable	153,614	-	-	-	153,614
Due to other governmental agencies	34,002	405,981	-	5,224,404	5,664,387
Deposits from individuals and corporations	-	-	206,024	-	206,024
Total liabilities	187,616	405,981	206,024	5,224,404	6,024,025
NET POSITION					
Restricted for:					
Individuals, organizations, and other governments	1,793,897	6,017,339	496,322	-	8,307,558
Total net position	\$ 1,793,897	\$ 6,017,339	\$ 496,322	\$ -	\$ 8,307,558

Martin County, Florida
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended September 30, 2022

	Custodial Funds				
	Board of County Commissioners	Clerk of the Circuit Court	Sheriff	Tax Collector	Total
ADDITIONS:					
Fees and charges collected for others	\$ 1,120,919	\$ 13,818,226	\$ 738,297	\$ -	\$ 15,677,442
Tax collections for Martin County					
Board of County Commissioners	-	-	-	253,663,937	253,663,937
Tax collections for other governments	-	-	-	236,040,855	236,040,855
Miscellaneous	-	-	1,216,839	1,722,536	2,939,375
Total additions	1,120,919	13,818,226	1,955,136	491,427,328	508,321,609
DEDUCTIONS:					
Payments to Martin County Board of County Commissioners	-	-	36,310	253,663,937	253,700,247
Payments to individuals, organizations, and other governments	372,036	12,294,310	1,917,251	236,040,855	250,624,452
Miscellaneous	-	-	-	1,722,536	1,722,536
Total deductions	372,036	12,294,310	1,953,561	491,427,328	506,047,235
Change in net position	748,883	1,523,916	1,575	-	2,274,374
Net position - beginning	1,045,014	4,493,423	494,747	-	6,033,184
Net position - ending	\$ 1,793,897	\$ 6,017,339	\$ 496,322	\$ -	\$ 8,307,558



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Martin County, Florida
For the Year Ended September 30, 2022

STATISTICAL SECTION

TABLE OF CONTENTS

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.

	<u>Page</u>
Financial Trends	140
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time	
Revenue Capacity	151
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	
Debt Capacity	158
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
Demographic and Economic Information	165
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
Operating Information	167
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			
	2013	2014	2015	2016
Governmental activities:				
Net investment in capital assets	\$ 468,253,663	\$ 573,142,960	\$ 574,409,202	\$ 582,985,255
Restricted	40,952,468	30,472,560	30,976,073	17,081,598
Unrestricted (deficit)	<u>2,474,994</u>	<u>(105,372,339)</u>	<u>(97,297,239)</u>	<u>(80,670,842)</u>
Total governmental activities net position	<u>511,681,125</u>	<u>498,243,181</u>	<u>508,088,036</u>	<u>519,396,011</u>
Business-type activities:				
Net investment in capital assets	189,663,805	199,404,782	207,660,423	213,980,503
Restricted	17,329,053	17,165,609	16,186,585	18,433,671
Unrestricted	<u>37,742,716</u>	<u>29,092,899</u>	<u>29,812,548</u>	<u>29,015,710</u>
Total business-type activities net position	<u>244,735,574</u>	<u>245,663,290</u>	<u>253,659,556</u>	<u>261,429,884</u>
Primary government:				
Net investment in capital assets	657,917,468	772,547,742	782,069,625	796,965,758
Restricted	58,281,521	47,638,169	47,162,658	35,515,269
Unrestricted (deficit)	<u>40,217,710</u>	<u>(76,279,440)</u>	<u>(67,484,691)</u>	<u>(51,655,132)</u>
Total primary government net position	<u>\$ 756,416,699</u> ¹	<u>\$ 743,906,471</u> ²	<u>\$ 761,747,592</u>	<u>\$ 780,825,895</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					
2017	2018	2019	2020	2021	2022
\$ 588,757,447	\$ 578,846,232	\$ 601,338,623	\$ 620,193,915	\$ 644,479,645	\$ 674,040,518
30,094,214	27,618,666	78,089,370	79,601,114	72,645,353	79,184,253
<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>(176,070,909)</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>	<u>577,153,862</u>
215,089,431	222,075,194	230,986,721	234,840,965	240,200,094	257,249,448
21,832,218	23,922,630	24,696,371	22,642,275	24,576,091	27,964,412
<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>53,011,741</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>	<u>338,225,601</u>
803,846,878	800,921,426	832,325,344	855,034,880	884,679,739	931,289,966
51,926,432	51,541,296	102,785,741	102,243,389	97,221,444	107,148,665
<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>(123,059,168)</u>
<u>\$ 696,520,067</u> ³	<u>\$ 732,575,610</u>	<u>\$ 753,707,600</u>	<u>\$ 765,345,065</u>	<u>\$ 850,590,653</u>	<u>\$ 915,379,463</u>

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

(Unaudited)

	Fiscal Year			
	2013	2014	2015	2016
EXPENSES				
Governmental activities:				
General government	\$ 53,243,618	\$ 55,399,076	\$ 54,161,287	\$ 60,130,281
Public safety	106,614,868	110,538,801	107,481,640	122,869,345
Physical environment	8,293,187	12,681,511	11,751,153	18,707,158
Transportation	17,402,883	19,847,299	20,620,634	26,668,080
Economic environment	3,454,795	2,241,285	2,398,875	2,762,139
Human services	5,742,721	6,480,653	7,023,863	5,477,529
Culture and recreation	15,097,211	15,905,736	15,396,102	19,164,676
Interest and fiscal charges on long-term debt	3,476,236 ⁵	2,714,578	3,230,145	630,743
Total governmental activities expenses	<u>213,325,519</u>	<u>225,808,939</u>	<u>222,063,699</u>	<u>256,409,951</u>
Business-type activities:				
Water	16,405,476 ⁵	16,536,794	16,850,339	18,001,230
Sewer	13,485,814	13,530,843	13,786,910	14,727,068
Solid waste	18,067,481	18,953,186	19,119,647	20,215,746
Airport	3,090,273	2,639,790	2,809,151	2,550,230
Golf Course	-	-	2,359,326	2,155,843
Total business-type activities expenses	<u>51,049,044</u>	<u>51,660,613</u>	<u>54,925,373</u>	<u>57,650,117</u>
Total primary government expenses	<u>264,374,563</u>	<u>277,469,552</u>	<u>276,989,072</u>	<u>314,060,068</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
General government	15,605,608	15,873,094	19,683,175	18,880,214
Public safety	8,278,237	8,605,980	9,640,170	10,745,708
Transportation	1,760,747	1,703,188	2,004,028	8,839,752
Other functions	2,776,286	2,594,932	3,042,410	3,077,146
Operating grants and contributions	13,608,735	12,680,230	13,422,146	22,469,288
Capital grants and contributions	4,745,994	5,889,876	5,605,898	8,272,209
Total governmental activities program revenues	<u>46,775,607</u>	<u>47,347,300</u>	<u>53,397,827</u>	<u>72,284,317</u>
Business-type activities:				
Charges for services:				
Water	15,510,118	16,389,530	17,005,577	17,303,188
Sewer	12,690,097	13,409,616	13,913,653	14,157,153
Solid waste	18,722,135	19,521,540	20,540,252	21,506,398
Airport	1,472,235	1,507,636	1,779,790	1,481,705
Golf course	-	-	1,318,018	1,567,205
Operating grants and contributions	913,661	421,894	201,730	332,825
Capital grants and contributions	4,429,938	2,577,450	2,153,427	5,905,610
Total business-type activities program revenues	<u>53,738,184</u>	<u>53,827,666</u>	<u>56,912,447</u>	<u>62,254,084</u>
Total primary government program revenues	<u>100,513,791</u>	<u>101,174,966</u>	<u>110,310,274</u>	<u>134,538,401</u>
NET (EXPENSE)/REVENUE				
Governmental activities	(166,549,912)	(178,461,639)	(168,665,872)	(184,125,634)
Business-type activities	2,689,140	2,167,053	1,987,074	4,603,967
Total primary government net expense	<u>\$ (163,860,772)</u>	<u>\$ (176,294,586)</u>	<u>\$ (166,678,798)</u>	<u>\$ (179,521,667)</u>

(Unaudited)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 81,825,734	\$ 72,222,820	\$ 76,708,159	\$ 79,135,836	\$ 75,361,775	\$ 85,325,812
131,938,152	122,941,121	154,948,452	169,589,316	144,875,113	158,136,849
13,526,213	12,611,453	17,690,501	11,060,466	16,740,196	22,771,324
28,034,919	25,588,350	27,226,015	28,414,094	29,169,914	29,412,843
3,117,596	3,248,157	4,059,861	5,405,614	4,154,570	4,288,422
6,736,303	7,886,328	7,889,435	6,810,278	6,871,475	10,301,735
18,380,784	18,885,864	20,964,724	20,177,931	20,136,453	22,873,413
1,616,733	2,608,387	2,989,916	3,857,091	3,604,741	3,327,847
<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>	<u>336,438,245</u>
18,107,855	18,418,508	17,832,021	20,783,312	20,004,112	21,074,105
14,904,946	15,067,538	14,587,226	17,002,334	16,365,667	17,241,291
20,127,005	22,071,898	22,236,926	24,059,828	24,840,568	29,494,994
2,867,089	2,855,588	3,478,010	3,980,649	4,349,095	4,405,569
<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>2,113,005</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>74,328,964</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>	<u>410,767,209</u>
19,691,748	21,959,446	21,216,292	16,486,527	21,485,811	19,482,273
10,758,372	11,453,571	15,071,983	14,724,266	14,918,377	16,609,532
10,904,523	11,597,968	13,938,681	12,119,256	12,949,824	13,802,036
2,831,719	3,430,711	3,992,216	2,795,721	4,699,863	4,470,817
17,742,156	18,071,188	14,985,006	23,916,661	41,371,889	25,006,137
5,967,672	6,929,695	8,821,957	12,076,458	18,841,365	23,769,195
<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>	<u>103,139,990</u>
18,217,161	17,908,528	18,978,060	19,511,132	20,580,094	21,749,161
14,904,949	14,652,432	15,527,504	15,963,653	16,838,259	17,794,768
21,862,075	23,033,917	22,846,245	22,996,139	24,322,357	28,638,951
1,576,098	1,790,287	2,055,359	2,322,456	2,390,699	2,595,806
1,360,820	1,242,475	1,155,034	415,710	598,792	1,617,717
200,619	698,657	434,240	58,136	2,378,552	657,230
<u>8,303,835</u>	<u>7,994,611</u>	<u>11,383,405</u>	<u>7,803,941</u>	<u>8,117,671</u>	<u>18,893,522</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>91,947,155</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>	<u>195,087,145</u>
(217,280,244)	(192,549,901)	(234,450,928)	(242,331,737)	(186,647,108)	(233,298,255)
8,317,481	6,665,831	12,196,218	1,298,305	7,825,653	17,618,191
<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>	<u>\$ (215,680,064)</u>

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

(Unaudited)

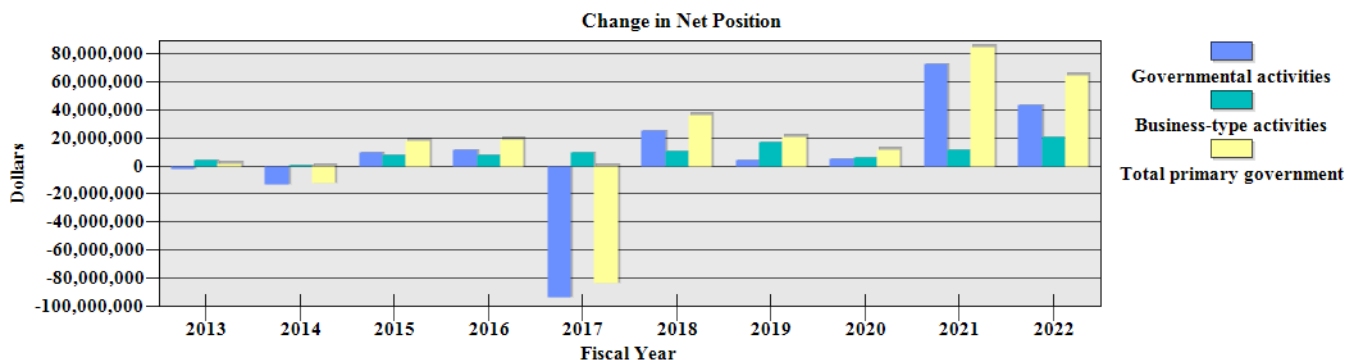
	Fiscal Year			
	2013	2014	2015	2016
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities:				
Taxes:				
Property taxes, levied for general purposes	\$ 130,297,554	\$ 136,804,070	\$ 143,978,913	\$ 153,708,854
Property taxes, levied for debt service	1,146,599	1,101,738	309,294	-
Sales tax	21,300,473	22,882,296	24,290,190	25,216,906
Communications taxes & other taxes	2,328,905	2,199,535	2,167,514	2,080,831
Contributions not restricted to specific programs	4,144,662	4,396,688	4,729,451	4,858,369
GOV Investment earnings & FMV change	343,003	916,374	1,345,004	1,015,589
Miscellaneous	4,535,942	3,915,548	4,625,758	9,004,747
Special item - capital contribution Veterans Memorial Bridge	-	97,693,027	-	-
Restatement	(241,114) ⁴	(104,935,581) ⁵	-	-
Transfers	50,000	50,000	(2,935,397)	(451,687)
Total governmental activities	163,906,024	165,023,695	178,510,727	195,433,609
Business-type activities:				
BUS Investment earnings & FMV change	569,429	906,800	1,345,849	1,000,223
Miscellaneous	1,702,127	1,791,371	1,727,946	1,714,451
Restatement	(743,622) ⁴	(3,887,508) ⁵	-	-
Transfers	(50,000)	(50,000)	2,935,397	451,687
Total business-type activities	1,477,934	(1,239,337)	6,009,192	3,166,361
Total primary government	165,383,958	163,784,358	184,519,919	198,599,970
CHANGES IN NET POSITION				
Governmental activities	(2,643,888)	(13,437,944)	9,844,855	11,307,975
Business-type activities	4,167,074	927,716	7,996,266	7,770,328
Total primary government	\$ 1,523,186	\$ (12,510,228)	\$ 17,841,121	\$ 19,078,303

Note: Martin County Community Redevelopment Agency (CRA) 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 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.

⁵ 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*.

⁶ 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					
2017	2018	2019	2020	2021	2022
\$ 163,537,265	\$ 177,654,874	\$ 188,544,685	\$ 206,468,520	\$ 217,707,071	\$ 229,168,584
-	-	-	-	-	-
26,453,707	27,201,598	26,718,241	26,360,535	30,512,386	34,107,017
2,028,122	2,022,644	1,841,005	1,754,554	1,693,712	1,730,964
5,045,489	5,112,842	5,406,243	5,102,288	5,870,682	7,370,554
1,627,547	3,056,643	5,946,573	4,610,976	948,091	(861,597)
4,591,058	3,237,554	10,360,764	4,385,411	4,251,128	5,797,255
-	-	-	-	-	-
(78,071,499) ⁶	-	-	-	-	-
(1,782,900)	(690,392)	(506,897)	(1,136,468)	(913,865)	53,060
<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>	<u>277,365,837</u>
1,257,963	1,802,142	2,701,675	2,047,743	910,004	546,485
1,771,328	1,851,316	1,867,515	1,940,870	2,173,969	2,609,613
(3,584,045) ⁶	-	-	-	-	-
1,782,900	690,391	506,897	1,136,468	913,865	(53,060)
<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>3,103,038</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>	<u>280,468,875</u>
(93,851,455)	25,045,862	3,859,686	5,214,079	73,422,097	44,067,582
9,545,627	11,009,680	17,272,305	6,423,386	11,823,491	20,721,229
<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>	<u>\$ 64,788,811</u>

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

(Unaudited)

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Nonspendable	\$ 487,906	\$ 454,920	\$ 503,070	\$ 697,679
Restricted	474,494	-	589,757	291,012
Committed	6,806,550	10,235,000	10,000,000	12,118,821
Assigned	11,182,066	12,669,348	13,670,207	14,967,267
Unassigned	15,562,101	6,588,539	10,274,088	5,383,561
Total General Fund	<u>34,513,117</u>	<u>29,947,807</u>	<u>35,037,122</u>	<u>33,458,340</u>
Other governmental funds				
Nonspendable	1,048,548	1,076,965	1,215,170	1,542,426
Restricted	42,614,298	34,284,595	34,156,092	34,047,005
Committed	26,371,572	29,004,083	28,408,166	38,516,691
Assigned	7,665,601	8,663,092	9,115,052	13,180,233
Unassigned	(2,521,473)	(200,962)	-	(18,020)
Total other governmental funds	<u>\$ 75,178,546</u>	<u>\$ 72,827,773</u>	<u>\$ 72,894,480</u>	<u>\$ 87,268,335</u>

Note: Martin County Community Redevelopment Agency (CRA) 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					
2017	2018	2019	2020	2021	2022
\$ 691,690	\$ 1,009,653	\$ 428,595	\$ 495,476	\$ 606,146	\$ 553,027
255,066	250,956	532,242	866,204	930,218	794,976
-	-	-	-	-	-
14,248,233	16,035,534	12,582,102	12,518,556	22,945,115	6,094,682
5,071,422	9,469,569	20,518,225	29,752,682	38,193,826	60,414,634
<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>	<u>67,857,319</u>
1,439,591	1,376,801	1,467,422	1,510,207	1,327,141	1,277,788
34,298,141	31,356,087	79,694,247	78,829,081	73,744,115	67,435,819
42,188,800	47,763,475	58,225,295	69,735,364	65,449,221	70,480,861
24,678,083	43,491,061	34,752,162	38,803,893	40,389,284	45,772,364
(2,911,597)	(688,331)	(1,872,251)	(3,743,228)	-	(20,865,209)
<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>	<u>\$ 164,101,623</u>

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

(Unaudited)

	Fiscal Year				
	2013	2014	2015	2016	2017
REVENUES					
Taxes	\$ 142,650,026	\$ 149,431,010	\$ 156,330,631	\$ 165,949,315	\$ 176,526,313
Permits, fees and special assessments	7,506,700	6,883,045	9,043,602	16,050,279	16,700,257
Intergovernmental revenues	36,779,968	33,299,908	33,570,648	46,178,269	38,601,668
Charges for services	19,786,540	19,194,095	20,888,270	21,801,676	22,631,331
Fines and forfeitures	1,311,788	2,341,530	2,610,061	2,431,495	1,858,250
Interest income	342,889	916,263	1,362,176	1,015,118	1,625,710
Net change in fair value of investments ²	-	-	-	-	-
Contributions - private sources & donations	-	-	-	-	587,128
Miscellaneous revenues	6,898,033	3,914,591	7,597,938	12,054,384	7,647,736
Interest income from leases	-	-	-	-	-
Total revenues	<u>215,275,944</u>	<u>215,980,442</u>	<u>231,403,326</u>	<u>265,480,536</u>	<u>266,178,393</u>
EXPENDITURES					
General government	50,476,673	48,900,686	49,976,819	54,116,377	66,940,228
Public safety	98,112,617	100,265,309	105,551,237	108,884,240	114,006,200
Physical environment	7,092,983	11,152,784	6,104,090	16,832,848	11,585,656
Transportation	10,087,197	10,887,161	10,774,798	16,168,819	16,752,567
Economic environment	3,549,055	2,204,224	2,536,617	2,875,403	3,212,106
Human services	5,508,726	6,326,816	5,986,228	6,889,048	6,599,584
Culture and recreation	11,895,764	10,972,175	13,246,401	13,802,127	14,204,491
Capital outlay	21,137,219	20,110,653	21,952,027	29,357,748	30,096,103
DEBT SERVICE:					
Principal	15,640,032	9,887,976	10,278,846	7,283,408	6,610,235
Interest	3,154,499	2,586,495	2,226,584	1,556,658	1,447,430
Other debt service costs	133,172	16,639	111,804	45,110	78,600
Total expenditures	<u>226,787,937</u>	<u>223,310,918</u>	<u>228,745,451</u>	<u>257,811,786</u>	<u>271,533,200</u>
Excess (deficiency) of revenues	(11,511,993)	(7,330,476)	2,657,875	7,668,750	(5,354,807)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	5,445,041	644,885	2,688,885	5,355,323	4,967,000
Refunding bond proceeds	-	-	23,135,000	-	-
Issuance of long term leases	-	-	-	-	-
Payments to refunding agent	-	-	(22,779,999)	-	-
Transfers in	13,500,594	10,037,170	12,701,960	14,332,588	12,497,435
Transfers out	(13,450,594)	(9,987,170)	(13,528,190)	(14,561,588)	(12,876,874)
Total other financing sources (uses)	<u>5,495,041</u>	<u>694,885</u>	<u>2,217,656</u>	<u>5,126,323</u>	<u>4,587,561</u>
Net changes in fund balances	<u>\$ (6,016,952)</u>	<u>\$ (6,635,591)</u>	<u>\$ 4,875,531</u>	<u>\$ 12,795,073</u>	<u>\$ (767,246)</u>
Debt service as a percentage of noncapital expenditures ⁷	9.14 %	6.14 %	6.05 %	3.87 %	3.34 %
Debt service as a percentage of total expenditures	8.35 %	5.59 %	5.52 %	3.45 %	3.00 %
Capital outlay as a percentage of total expenditures	9.32 %	9.01 %	9.60 %	11.39 %	11.08 %

Note: Martin County Community Redevelopment Agency (CRA) 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.

⁷ Debt service in this ratio only includes the principal and interest components of debt service.

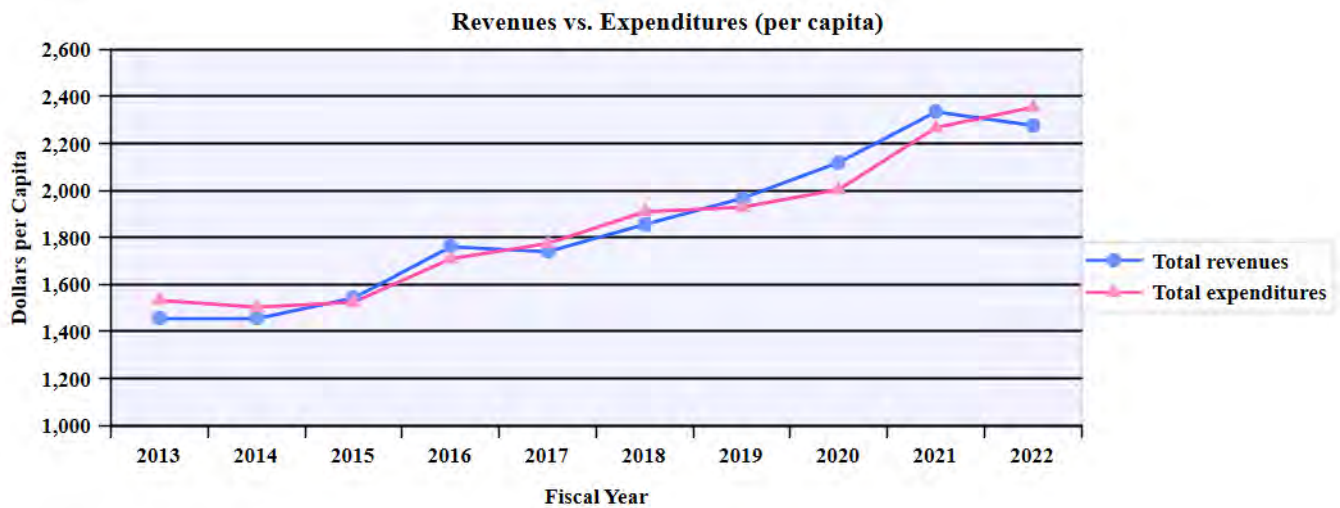
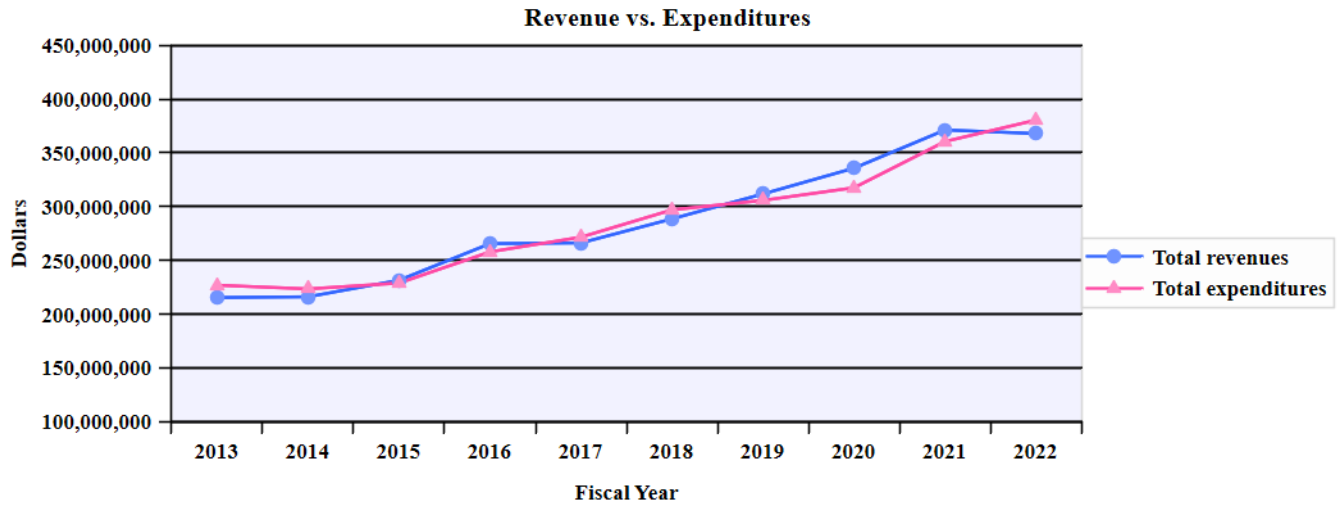
(Unaudited)

Fiscal Year				
2018	2019	2020	2021	2022
\$ 190,844,002	\$ 201,094,942	\$ 218,615,430	\$ 230,675,039	\$ 243,537,632
18,859,211	23,061,318	20,379,331	23,782,956	24,128,786
42,394,731	37,501,958	55,208,606	76,825,330	56,893,212
23,373,480	27,080,987	26,239,453	28,093,822	29,510,425
1,968,848	1,954,037	1,842,571	2,000,336	1,980,014
3,052,116	5,937,140	4,605,218	946,398	2,012,173
-	-	-	-	(2,873,738)
1,824,125	7,234,797	1,057,586	852,939	2,655,778
6,201,848	7,869,702	7,791,479	8,081,534	10,066,632
-	-	-	-	9,152
<u>288,518,361</u>	<u>311,734,881</u>	<u>335,739,674</u>	<u>371,258,354</u>	<u>367,920,066</u>
67,542,558	63,364,085	65,420,054	68,400,886	74,740,432
119,915,758	127,294,502	137,362,518	152,794,447	148,186,307
10,659,263	15,420,796	8,481,826	14,655,512	19,986,181
13,878,569	13,904,016	14,420,850	15,024,851	14,344,846
3,277,611	3,994,326	5,314,723	4,227,196	4,188,870
7,776,731	7,689,971	6,607,913	6,798,599	10,206,178
15,416,463	16,906,201	16,311,583	17,815,346	19,622,381
50,049,349	44,228,195	49,182,342	64,586,074	68,130,444
6,357,929	9,987,385	10,079,893	12,194,673	17,227,060
1,819,083	2,611,891	4,263,646	4,042,197	3,781,946
218,159	343,405	58,436	23,070	73,843
<u>296,911,473</u>	<u>305,744,773</u>	<u>317,503,784</u>	<u>360,562,851</u>	<u>380,488,488</u>
(8,393,112)	5,990,108	18,235,890	10,695,503	(12,568,422)
26,175,000	50,589,064	6,935,079	5,012,851	12,189,298
-	-	-	-	-
-	-	-	-	2,427,918
-	-	-	-	(11,857,000)
12,817,801	11,047,017	14,015,604	41,802,487	28,246,921
<u>(8,526,378)</u>	<u>(11,362,955)</u>	<u>(16,746,377)</u>	<u>(42,694,010)</u>	<u>(30,064,839)</u>
<u>30,466,423</u>	<u>50,273,126</u>	<u>4,204,306</u>	<u>4,121,328</u>	<u>942,298</u>
<u>\$ 22,073,311</u>	<u>\$ 56,263,234</u>	<u>\$ 22,440,196</u>	<u>\$ 14,816,831</u>	<u>\$ (11,626,124)</u>
3.31 %	4.82 %	5.35 %	5.49 %	6.73 %
2.83 %	4.23 %	4.54 %	4.51 %	5.54 %
16.86 %	14.47 %	15.49 %	17.91 %	17.91 %

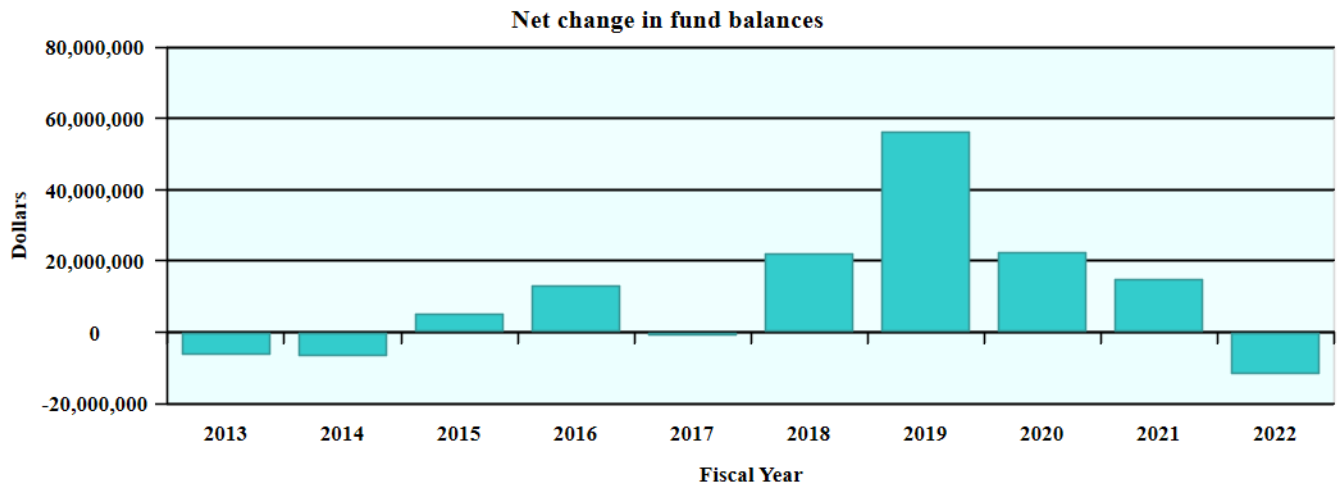
Martin County, FL

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
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
2022	24,900,691,432	3,871,388,411	2,059,818,802	2,173,591,807	33,005,490,452

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
\$ 2,691,033,580	\$ 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
3,185,797,785	68,352,425	36,259,640,662	11,146,826,350	25,112,814,312	10.3538

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

(Unaudited)

	Fiscal Year Taxes Are Payable			
	2013	2014	2015	2016
County Direct Rates				
General- Countywide				
General Fund	5.6956	5.8300	5.9651	6.1264
Bonds - FIT	0.0373	0.0368	-	-
Municipal Service Taxing Units ⁸	0.9755	1.0240	1.0486	1.0660
Total County Direct Rate	6.7084	6.8908	7.0137	7.1924
Overlapping Rates - Countywide				
School Board	6.9040	7.2780	7.1380	7.0980
Children's Services	0.3693	0.3693	0.3618	0.3618
South Florida Water Management	0.4289	0.4110	0.3842	0.3551
Florida Inland Navigation District	0.0345	0.0345	0.0345	0.0320
Overlapping Rates - Non-Countywide				
City of Stuart	4.9041	4.8020	4.8540	4.8327
Town of Jupiter Island	4.7229	4.7047	4.5813	4.4270
Town of Ocean Breeze Park	4.7910	5.0619	4.9472	3.9814
Town of Sewall's Point	2.2896	2.3500	2.6000	2.8700
Village of Indiantown	-	-	-	-
Drainage Districts ⁹	5.10-68.75/ac	5.10-68.29/ac	5.82-68.27/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.

⁸ 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.

⁹ 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 2022 is \$1,059,669. This is 0.45% of the total original levy of \$238,089,244.

(Unaudited)

Fiscal Year Taxes Are Payable					
2017	2018	2019	2020	2021	2022
6.2407	6.3887	6.5971	6.6928	6.7618	6.7934
-	-	-	-	-	-
3.1737	3.2339	3.4247	3.6646	3.6033	3.5604
9.4144	9.6226	10.0218	10.3574	10.3651	10.3538
6.8810	6.5520	6.8620	6.6480	6.4470	6.3230
0.3618	0.3618	0.3618	0.3618	0.3618	0.3618
0.3307	0.3100	0.2936	0.2795	0.2675	0.2572
0.0320	0.0320	0.0320	0.0320	0.0320	0.0320
4.8224	4.7572	4.9962	5.3202	5.2136	5.2004
4.3087	4.1724	4.1027	4.0391	4.0214	4.0214
5.2177	5.4750	6.3826	4.8008	3.0800	1.4000
2.8700	2.8700	2.8700	2.8700	2.8700	3.2688
-	-	4.2623	1.6304	1.6304	1.6304
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	20.45-156.39/ac

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

(Unaudited)

Taxpayer	2022			2013		
	Taxable Assessed Valuation	Rank ¹⁰	Percentage of Total Taxable Valuation	Taxable Assessed Valuation	Rank ¹¹	Percentage of Total Taxable Valuation ¹⁰
Florida Power & Light Company	\$ 2,309,917,700	1	9.20%	\$ 1,842,698,112	1	10.88 %
Florida Southeast Connection	77,097,379	2	0.31%	-	-	- %
Publix Super Markets, Inc.	71,374,019	3	0.28%	-	-	- %
Jeffrey H. Sands	66,246,640	4	0.26%	-	-	- %
Treasure Coast-JCP Assoc. LTD	58,097,738	5	0.23%	74,373,696	3	0.44 %
Florida Gas Transmission	53,227,066	6	0.21%	55,045,163	4	0.32 %
Jupiter Island Irrevocable Homestead Trust	45,052,600	7	0.18%	-	-	- %
Florida East Coast Railway LLC	44,285,739	8	0.18%	-	-	- %
PRCP-Stuart LLC	40,698,000	9	0.16%	-	-	- %
Arium Jensen Beach LLC	35,019,435	10	0.14%	-	-	- %
Indiantown Congregation, LP	-	-	-%	266,755,787	2	1.57 %
Christopher J. Hubman (TR)	-	-	-%	46,315,390	5	0.27 %
Gulfstream Natural Gas	-	-	-%	43,787,046	6	0.26 %
Louis Dreyfus Citrus Inc.	-	-	-%	30,306,972	7	0.18 %
Bellsouth Telecommunication, Inc.	-	-	-%	27,863,031	8	0.16 %
Edward H. Hamm (TR)	-	-	-%	27,666,051	9	0.16 %
Sandhill Cove Properties, Inc.	-	-	-%	26,676,660	10	0.16 %
Total	\$ 2,801,016,316		11.15 %	\$ 2,441,487,908		14.40 %

Source: Martin County Tax Collector

¹⁰Based 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>
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
2022	238,089,244	(8,957,145)	229,132,099

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 2021 exceeded the adjusted levy amount due to increased interest collected for 2021 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
\$ 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	66,230	155,102,028	99.97 %
163,241,656	99.90	91,676	163,333,332	99.96 %
177,381,468	99.85	58,782	177,440,250	99.88 %
188,100,633	99.87	135,568	188,236,201	99.94 %
206,362,171	99.93	236,887	206,599,058	100.05 %
217,371,249	99.95	91,422	217,462,671	99.99 %
228,923,592	99.91	-	228,923,592	99.91 %

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	Financed Purchase Agreements	State Loans	Notes Payable
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	-	-
2022	-	72,256,840	-	24,691,686	-	-

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 2022.

¹¹See the schedule of demographic and economic statistics for personal income and population data.

¹²These 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 Income¹¹	Per Capita¹²
\$ 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	1.06 %	1,093
51,295,838	7,279,307	155,523,671	-	962

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

(Unaudited)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Actual Taxable Value of Property¹³	Per Capita¹⁴
2013	\$ 1,705,000	\$ 1,408,646	\$ 296,354	- %	\$ 2.00
2014	1,160,000	1,289,425	(129,425)	- %	(0.87)
2015	590,000	590,000	-	- %	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-

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.

¹³Taxable value data can be found on the schedule of Assessed Value and Actual Value of Taxable Property.

¹⁴Population data can be found on the Demographic and Economic Statistics schedule.

Martin County, Florida
Direct and Overlapping Governmental Activities Debt
September 30, 2022

(Unaudited)

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹⁵</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Stuart			
Revenue Bonds and Notes	\$ 6,365,557	100%	\$ 6,365,557
General Obligation Bonds	4,650,000	100%	4,650,000
Town of Jupiter Island			
General Obligation Notes Payable	4,666,730	100%	4,666,730
Martin County School Board			
Bonds Payable	2,031,000	100%	2,031,000
Certificates of Participation	64,403,000	100%	64,403,000
South Florida Water Management District			
Certificates of Participation	320,575,000	2.14%	6,860,305
Subtotal, overlapping debt			88,976,592
Martin County Direct Debt			<u>96,948,526</u>
Total direct and overlapping debt			<u><u>\$ 185,925,118</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.

¹⁵These 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)

Fiscal Year	Gas Tax Bonds, Series 2006 ¹⁶			
	Gross Revenues	Debt Service		Coverage
		Principal	Interest	
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
2022	8,328,006	2,334,000	243,851	3.23

Fiscal Year	Half-Cent Sales Tax Revenue Bonds, Series 2019¹⁷			
	Gross Revenues	Debt Service		Coverage
		Principal	Interest	
2019	\$ 16,008,991	\$ -	\$ -	N/A
2020	15,968,179	1,015,000	1,931,396	5.42
2021	19,238,129	1,250,000	1,706,000	6.51
2022	21,468,934	1,315,000	1,643,500	7.26

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.

¹⁶The 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.

¹⁷The Half-Cent Sales Tax Revenue Bonds, Series 2019, dated May 8, 2019, are backed by Half-Cent Sales Tax Revenues.



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

(Unaudited)

	2022	2021	2020	2019	2018
<i>PRIMARY DEBT SERVICE COVERAGE</i>					
Operating revenues	\$ 39,543,928	\$ 39,209,570	\$ 37,044,677	\$ 36,021,167	\$ 34,000,937
General and administrative expenses (a)	(19,193,620)	(18,030,661)	(21,166,024)	(16,299,794)	(17,745,445)
Non-operating income (b)	1,198,674	2,837,646	1,474,821	3,090,891	1,933,796
Special assessment fees (c)	1,740,722	1,807,404	1,373,096	1,161,238	1,187,735
Net revenues available for debt service	23,289,704	25,823,959	18,726,570	23,973,502	19,377,023
Connection fees (d)	4,587,971	2,671,637	4,724,950	2,503,745	2,287,605
Net revenues & connection fees	27,877,675	28,495,596	23,451,520	26,477,247	21,664,628
Debt service requirements (e)	\$ 6,815,663	\$ 6,815,469	\$ 6,817,937	\$ 6,817,333	\$ 6,816,309
Actual coverage:					
Excluding connection fees	3.42	3.79	2.75	3.52	2.84
Including connection fees	4.09	4.18	3.44	3.88	3.18
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	\$ 23,289,704	\$ 25,823,959	\$ 18,726,570	\$ 23,973,502	\$ 19,377,023
Less: revenue required for primary debt service coverage (f)	7,497,229	7,497,016	7,499,730	7,499,066	7,497,940
Less indirect costs	1,732,540	1,440,585	1,440,585	1,454,462	1,454,462
Adjusted net revenues	14,059,935	16,886,358	9,786,255	15,019,974	10,424,621
Debt service requirements (g)	\$ 1,387,362	\$ 1,018,629	\$ 969,566	\$ 954,500	\$ 954,499
Actual coverage	10.13	16.58	10.09	15.74	10.92
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. Excludes 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)

	2017	2016	2015	2014	2013
\$	34,466,916	\$ 32,828,095	\$ 32,294,920	\$ 31,260,723	\$ 29,563,838
	(18,297,114)	(15,698,777)	(15,447,353)	(14,788,486)	(14,694,424)
	623,230	504,729	729,531	691,429	521,661
	<u>1,267,559</u>	<u>1,220,289</u>	<u>1,219,968</u>	<u>643,087</u>	<u>733,151</u>
	18,060,591	18,854,336	18,797,066	17,806,753	16,124,226
	<u>1,899,239</u>	<u>1,363,074</u>	<u>1,353,237</u>	<u>946,339</u>	<u>994,352</u>
	19,959,830	20,217,410	20,150,303	18,753,092	17,118,578
\$	6,236,362	\$ 6,825,909	\$ 6,823,649	\$ 6,831,083	\$ 6,813,507
	2.90	2.76	2.76	2.61	2.37
	3.20	2.96	2.95	2.75	2.51
	1.10	1.10	1.10	1.10	1.10
	1.20	1.20	1.20	1.20	1.20
\$	18,060,592	\$ 18,854,336	\$ 18,797,066	\$ 17,806,753	\$ 16,124,226
	6,859,998	7,508,500	7,506,014	7,514,190	7,494,858
	<u>1,554,623</u>	<u>1,554,623</u>	<u>1,460,459</u>	<u>1,460,459</u>	<u>1,483,726</u>
	9,645,971	9,791,213	9,830,593	8,832,104	7,145,642
\$	798,090	\$ 722,157	\$ 722,157	\$ 455,946	\$ 182,439
	12.09	13.56	13.56	19.37	39.17
	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		
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	16,357,821	102,273	3.4	53.4
2022	161,655 ¹⁹	N/A	N/A	2.4	53.4 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 2018-2022 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 2021; data is not available for 2022.

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

(Unaudited)

Employer	2022			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Cleveland Clinic, formerly known as Martin Memorial Health Systems	3,216	1	4.28 %	2,783	1	4.27 %
Martin County School District	2,846	2	3.79 %	1,575	3	2.42 %
Martin County Government	1,845	3	2.46 %	2,571	2	3.95 %
Publix Supermarkets	1,760	4	2.34 %	-		- %
Seacoast Banking Corporate of Florida	989	5	1.32 %	294	8	0.45 %
Armellini Express Lines	520	6	0.69 %	223	10	0.34 %
BD Liberator	410	7	0.55 %	-		- %
Daher	400	8	0.53 %	-		- %
Visiting Nurse Association	316	9	0.42 %	-		- %
STS Holdings	300	10	0.40 %	-		- %
State of Florida	-		- %	510	4	0.78 %
Triumph Group- Vought Aircraft Division	-		- %	408	5	0.63 %
Pursuit Aerospace (formerly Paradigm Precision	-		- %	396	6	0.61 %
Liberator Medical Supply	-		-	340	7	0.52 %
Louis Dreyfus Commodities	-		-	250	9	0.38 %
Total	12,602		16.78 %	9,350		14.35 %

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 <https://bdbmc.org/why-martin-county/workforce/>.

Note:

The data presented in this list may include part time and full time employees. The labor force figures for 2022 and 2013 are 75,082 and 65,147, 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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government	340.70	335.66	362.27	344.15
Public safety				
Ambulance and fire rescue services	290.00	292.00	279.00	288.00
Police protection	252.00	282.00	265.00	263.00
Corrections	130.00	120.00	122.00	117.00
Other	239.00	271.00	276.00	292.00
Physical environment				
Solid waste	19.40	18.40	20.70	19.60
Water sewer	90.20	94.20	91.90	91.15
Other	31.00	29.00	26.80	27.70
Transportation				
Airport	5.00	5.00	6.00	7.00
Road and street	67.60	67.00	70.00	70.50
Economic environment	10.25	7.90	7.55	9.55
Human services	8.75	8.95	8.60	11.75
Culture and recreation				
Libraries	38.73	44.73	45.73	45.00
Parks and recreation	52.15	58.40	73.00	67.00
Total	1,574.78	1,634.24	1,654.55	1,653.40

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					
2017	2018	2019	2020	2021	2022
361.97	369.30	387.55	386.70	381.21	389.68
284.83	278.60	323.00	326.15	328.15	325.32
266.00	267.00	276.00	282.00	283.00	287.00
136.00	136.00	135.00	135.00	152.00	150.00
255.17	272.75	276.00	278.85	257.85	273.68
18.40	21.40	24.40	23.40	27.40	28.70
94.35	95.35	97.35	98.35	102.35	104.30
29.10	27.70	29.80	28.40	27.20	30.80
6.00	6.00	7.00	7.00	8.00	7.00
78.75	84.41	85.06	79.86	86.76	91.46
9.55	10.30	11.30	12.30	11.85	13.05
12.35	13.75	15.75	17.35	16.35	17.35
48.00	47.00	46.00	50.00	50.00	51.00
72.00	78.00	78.00	77.00	81.00	76.00
1,672.47	1,707.56	1,792.21	1,802.36	1,813.12	1,845.34

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

(Unaudited)

Function/ Program	Fiscal Year			
	2013	2014	2015	2016
Public Safety				
Fire Rescue				
Number of calls answered	17,390	18,241	19,630	21,392
Police Protection				
Number of calls answered	313,080	312,997	314,425	303,509
Number of citations	10,673	10,324	12,537	16,143
Number of law violations	13,511	12,682	13,811	15,559
Number of arrests	7,064	6,560	6,257	6,019
Physical Environment				
Water quality/Stormwater				
Basin acres treated	10,146	10,146	12,200	17,709
Treated run-off (in acre-feet)	324.8	324.8	365.0	390.3
Treated run-off (in million gallons)	107.3	107.3	119.0	127.2
Water				
New connections	518	549	442	476
Average daily consumption (million gallons per day)	8.833	9.342	9.518	9.684
Sewer				
Average daily sewage treatment (million gallons per day)	4.162	4.147	4.148	4.286
Solid Waste				
Waste disposal (in tons) ¹	161,515	167,137	187,396	204,091
Recycling materials (in tons) ¹	65,596	72,057	81,253	89,004
Transportation				
Engineering				
Linear miles of paved roadway maintained	510.64	513.66	514.59	514.68
Linear miles of unpaved roadway maintained	14.67	14.67	14.10	14.10
Number of street lights maintained	4,979	5,191	5,438	5,568
Number of traffic signals maintained	188	193	199	197
Number of bridges maintained	51	51	51	52
Lineal feet sidewalks repaired/replaced	10,105	10,526	8,088	8,174
Human Services (in numbers of residents)				
Prescription assistance	95	93	12	13
Indigent medical assistance - hospitalization/physician services	414	387	453	434
Veterans Services-Client Contact	-	-	-	-
Clients serviced through HUD grants	-	-	-	-
Speciality Court client case managed	-	-	-	-
Culture and Recreation				
Libraries				
Library items borrowed	1,220,087	1,045,482	970,947	949,737
Library visits	923,672	841,697	786,970	702,303
Program attendance	67,525	61,483	80,287	80,212
Parks				
Number of programs offered	153	155	160	165
Number of participants	365,335	407,517	425,100	437,800

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					
2017	2018	2019	2020	2021	2022
24,015	22,694	23,706	24,526	26,630	27,870
278,738	296,033	288,557	294,948	270,100	262,706
8,810	5,861	6,892	4,968	4,975	6,108
10,509	10,056	9,325	6,544	6,147	7,892
6,558	6,338	5,679	4,287	3,924	3,297
17,997	18,225	18,225	18,610	18,610	18,610
442.0	472.5	472.5	509.6	509.6	509.6
144.0	155.9	155.9	168.0	168.0	168.0
300	606	691	594	637	755
9.465	10.163	10.186	9.442	10.910	11.515
5.029	4.295	4.117	5.027	4.340	4.482
207,532	232,266	301,319	306,450	335,718	347,908
89,241	105,230	98,634	101,294	105,752	99,404
529.00	498.75	499.96	500.47	501.23	501.46
14.10	15.19	14.16	14.00	14.00	13.99
5,571	5,531	5,544	5,109	5,285	5,294
203	202	212	209	232	234
53	53	53	53	59	59
11,050	12,035	12,082	5,943	5,426	7,340
39	72	24	5	3	-
457	436	347	545	520	242
-	-	-	18,153	12,586	17,025
-	-	-	31	33	32
-	-	-	110	102	196
904,316	857,851	810,360	557,550	645,918	729,015
688,042	667,187	640,868	341,999	329,496	424,750
82,113	78,599	77,313	67,051	25,498	61,588
169	269	261	178	279	404
450,900	528,762	447,712	296,763	289,583	395,093

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

(Unaudited)

Function/ Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Fire Rescue										
Number of fire engines	16	16	16	16	17	17	17	17	16	16
Number of ambulances	18	18	18	18	20	20	20	20	23	23
Number of stations	14	14	14	14	13	12	12	12	12	12
Police Protection										
Number of stations/field offices	8	9	9	9	8	8	8	8	8	8
Physical Environment										
Water quality/Stormwater										
Stormwater treatment area (in acres)	178.74	178.74	203.14	240.86	251.00	276.53	276.53	284.77	285.00	285.00
Water										
Water mains (in miles)	526	543	546	546	557	568	582	586	592	601
Fire hydrants	3,461	3,514	3,555	3,591	3,604	3,759	3,885	3,931	3,974	4,032
Sewer										
Vacuum pump stations ¹	3	3	3	3	3	4	4	4	4	4
Pump stations - Liftstations ¹	387	390	391	391	391	394	403	410	414	423
Sewer grinder stations ¹	33	33	33	33	33	33	86	187	442	635
Sewer mains (in miles) ¹	379	380	382	383	386	389	400	415	430	454
Reuse water mains (in miles)	39	39	39	39	39	39	40	41	40	39
Transportation										
Engineering										
Linear miles of paved roadway	510.64	513.66	514.59	514.68	529.00	498.75	499.96	500.47	501.23	501.46
Linear miles of unpaved roadway	14.67	14.67	14.10	14.10	14.00	15.19	14.16	14.00	14.00	13.99
Number of street lights	503	610	698	709	725	745	752	809	951	987
Number of traffic signals	99	105	106	106	110	108	118	120	115	117
Number of bridges	51	51	51	52	53	53	53	59	59	59
Culture and Recreation										
Library										
Library collection	335,253	382,683	326,392	287,400	299,069	291,789	313,457	324,566	353,394	363,751
Number of libraries	7	7	7	7	6	6	6	6	6	6
Parks										
Number of parks ²	73	74	76	76	76	76	75	72	73	73
Number of acres managed ²	1,496	1,522	1,784	1,784	1,784	1,776	1,776	1,719	1,730	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	33	37	39	39	36	36	36	33	33	33
Number of football/soccer fields	23	23	25	25	30	30	30	28	28	28
Number of community centers	13	13	12	12	12	12	12	10	10	10
Number of boat ramps	25	26	26	26	26	26	26	26	26	26
Linear footage of publicly owned beaches	16,363	16,363	14,802	14,802	14,802	14,802	14,802	14,802	14,802	14,802

Sources: Various County departments

¹ Starting in 2021 Utilities separated the type of pump stations from grinder stations.

² Changes in the Parks department for 2020 were primarily due to transfers to Indiantown and Timers Powers community center was demolished.

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, 2022

CONTENTS

	<u>Page Number</u>
Schedule of Expenditures of Federal Awards and State Financial Assistance	1 - 5
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	6
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	7 - 8
Independent Auditor's Report on Compliance for Each Major Federal Program and Major State Project and on Internal Control over Compliance; Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, <i>Rules of the Auditor General</i>	9 - 11
Schedule of Findings and Questioned Costs	12 - 13

Martin County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2022

				Expenditures		
Federal Grantor/State Agency	Assistance Listing / CSFA #	Grant Fund #	Grant/Contract #	County	Subrecipient	Total
Pass Through Entity/Program Title						
DEPARTMENT OF ECONOMIC OPPORTUNITY						
Community Development Block Grants						
FY18 CDBG Housing Rehabs	14.228	12326	17DB-OL-10-53-01-H 13	\$ 816	\$ -	\$ 816
Total Department of Economic Opportunity				816	-	816
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Direct awards						
Office of Community Planning and Development:						
Shelter Plus Care	14.267	120316	HUD S+C FL0118L4H091912	63,241	-	63,241
Shelter Plus Care	14.267	120318	HUD S+C FL0117L4H092013	72,371	-	72,371
Shelter Plus Care	14.267	120319	HUD S+C FL0835L4H092001	79,398	-	79,398
Shelter Plus Care	14.267	120320	HUD S+C FL0118L4H092114	31,868	-	31,868
Shelter Plus Care	14.267	120321	HUD S+C FL0117L4H092114	39,428	-	39,428
	14267.000	120322	HUD S+C FL0118L4H092114	12,834	-	12,834
Total Department of Housing and Urban Development				299,140	-	299,140
U.S. FISH AND WILDLIFE SERVICE						
Direct award						
Clean Vessel Act	15.616	12403	MV387	15,943	-	15,943
Clean Vessel Act	15.616	12406	MV431	27,513	-	27,513
				43,456	-	43,456
Jensen Beach Impoundment	15.634	128709	FCC #19007	49,070	-	49,070
Total U.S. Fish and Wildlife				92,526	-	92,526
U.S. DEPARTMENT OF TREASURY						
Coronavirus State & Local Fiscal Recovery Funds						
ARPA	21.027	15824		4,515,181	-	4,515,181
Total U.S. Department of Treasury				4,515,181	-	4,515,181
U.S. DEPARTMENT OF JUSTICE						
Direct award						
Office of Justice Programs, Bureau of Justice Assistance:						
SCAAP	16.606	Sheriff	O-BJA-2020-62002	71,935	-	71,935
Equitable Sharing	16.922	Sheriff (Fund 1527)	FL0430000	20,331	-	20,331
USDOJ Adult Drug Court Program #2	16.585	120011	2020-DC-BX-0141	136,762	-	136,762
Edward Byrne Memorial Justice Assistance Grant	16.738	12072	3032-JAGC-MART-1-3B-096	27,783	-	27,783
Edward Byrne Memorial Justice Assistance Grant - Sheriff		Sheriff		25,387	-	25,387
Passed through the Office of Attorney General,						
Office of Justice Programs, Office of Victims of Crime:						
Victims of Crime Act Grant (VOCA)	16.575	Sheriff	O-00758	87,870	-	87,870
Total Department of Justice				370,068	-	370,068

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

Martin County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2022

					Expenditures		
Federal Grantor/State Agency		Assistance Listing / CSFA #	Grant Fund #	Grant/Contract #	County	Subrecipient	Total
Pass Through Entity/Program Title							
U.S. DEPARTMENT OF TRANSPORTATION							
Passed through Federal Aviation Administration:							
	FAA Airport Master Plan	20.106	12617	AIP-3-12-0076-022-2019	\$ 211,410	\$ -	\$ 211,410
	FAA Coronavirus Response Grant	20.106	12620	AIP-3-12-0076-025-2021	42,846	-	42,846
	FAA Taxiway A/Wildlife Hazard Fence	20.106	12621	AIP-3-12-0076-026-2021	1,828,900	-	1,828,900
	FAA Coronavirus Response Grant	20.106	12622	AIP-3-12-0076-028-2022	147,772	-	147,772
					2,230,928	-	2,230,928
Direct Awards							
Federal Transit Administration:							
	C-LAP	20.205	12888	FM#436425-1-58-01	2,171,459	-	2,171,459
	C-LAP	20.205	12889	438343-1-58/68-01	337	-	337
	St Lucie Blvd Resurfacing	20.205	12894	48348-1-58-01	504,739	-	504,739
	Bridge Rd/CR708 LAP	20.205	12895	440811-1-58-01	3,128,308	-	3,128,308
	CR707/Beach Rd - LAP	20.205	12896	435139-2-58-01	2,444,897	-	2,444,897
	South of Green River Parkway	20.205	12897	444345-1-58-01	262,882	-	262,882
	MPO FY21 & FY22 FHWA Funds	20.205	128306	439328-3-14-01	399,335	-	399,335
	MPO FY23 & FY24 FHWA Funds	20.205	128307	439328-4-14-01	106,648	-	106,648
					9,018,605	-	9,018,605
Section 5311 CARES ACT Non-Urbanized							
		20.509	12891	G1L72	248,823	-	248,823
					248,823	-	248,823
AAC Software							
	CPE Upgrade	20.615	129000	S17-21-02-29	22,698	-	22,698
		20.615	127500	S18-21-06-08	694,534	-	694,534
					717,232	-	717,232
MPO Section 5305 FY19-FY20							
	MPO Section 5305 FY21-FY25	20.505	128103	G1482	1,366	-	1,366
		20.505	128104	G1V44	36,772	-	36,772
					38,138	-	38,138
Federal Transit Cluster							
	SECTION 5307 - FY16	20.507	128216	FL-2017-076-00	12,229	-	12,229
	SECTION 5307 - FY17	20.507	128218	FL-2018-085-00	185,906	-	185,906
	SECTION 5307 - FY18	20.507	128220	FL-2019-043-00	120	-	120
	SECTION 5307 - CARES Act Urbanized Area	20.507	128221	FL-2020-090-00	645,605	-	645,605
	Total Federal Transit Cluster				843,860	-	843,860
Total Department of Transportation					13,097,586	-	13,097,586
THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES (IMLS)							
	Martin Community Pickup ARPA	45.310	12202	21-ARPA-20	21,000	-	21,000
Total IMLS					21,000	-	21,000
ENVIRONMENTAL PROTECTION AGENCY							
	US EPA grant	66.436	128753	02D02121	162,945	-	162,945
	Manatee Pocket Water Quality	66.460	12516	NF079	139,721	-	139,721
Total Environmental Protection Agency					302,666	-	302,666
U.S. ELECTION ASSISTANCE COMMISSION (EAC)							
Passed through the Florida Department of State							
Division of Elections:							
	2022 Election Security Grant	90.404	12914		32,784	-	32,784
Total U.S. Election Assistance Commission					32,784	-	32,784

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

Martin County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2022

				Expenditures		
Federal Grantor/State Agency	Assistance Listing / CSFA #	Grant Fund #	Grant/Contract #	County	Subrecipient	Total
Pass Through Entity/Program Title						
DEPARTMENT/IND. AGENCY						
DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Passed through Florida Department of Revenue, Administration for Children and Families:						
Child Support Enforcement Program (Title IV-D)	93.563	Clerk	COC43	\$ 187,277	\$ -	\$ 187,277
Injury Prevention & Control Research & State and Community Based Program						
DOH Data to Action OPIOID - Year 2	93.136	129001	B6C02D	7,193	-	7,193
DOH Data to Action OPIOID - Year 3	93.136	129010	B91727	17,980	-	17,980
				25,173	-	25,173
CDC National Center for Chronic Disease Prevention & Health						
CDC Drug Free Communities - year 1	93.276	120100	1 NH28CE003044-01-00	24,698	-	24,698
CDC Drug Free Communities - year 2	93.276	120101	1 NH28CE003044-02-00	56,599	-	56,599
				81,297	-	81,297
Community Services Block Grant						
CSBG FY17	93.569	12048	17SB-OD-12-00-01-023	86,930	-	86,930
CSBG FY21	93.569	12049	17SB-OD-12-00-01-123	41,295	-	41,295
				128,225	-	128,225
Total Department of Health and Human Services				421,972	-	421,972
DEPARTMENT/IND. AGENCY						
Executive Office of the President						
High Intensity Drug Trafficking Areas Program	95.001	Sheriff	G20MI0014A& G21	241,421	-	241,421
Total Department/IND. Agency				241,421	-	241,421
U.S. DEPARTMENT OF HOMELAND SECURITY						
Disaster Funding - Hurricane IAN [9990IA]	97.030	127204		173,523	-	173,523
Disaster Grants - Public Assistance Hurricane Dorian FY21 [9990DO]	97.036			8,638	-	8,638
Disaster Grants - Public Assistance - Hurricane IRMA FY21 [9990IM]	97.036			128,485	-	128,485
Disaster Grants - Public Assistance - Hurricane ISALSAS FY21 [9990IS]	97.036			-	-	-
Hazard Mitigation for Bathub Beach	97.036	128754	DR-4468	31,520	-	31,520
Covid-19 Vaccination Dist and AD	97.036	15282		-	-	-
				168,643	-	168,643
Hazard Mitigation Grant						
FEMA DEM Hobe HeightsS H0601	97.039	127200	H0601	2,381,156	-	2,381,156
FEMA DEM Hobe HeightsS H0621	97.039	127202	H0621	834,038	-	834,038
FEMA DEM Hobe HeightsS H0584	97.039	127201	H0584	6,938	-	6,938
MacArthur Blvd Elevation	97.039	12899	H0074-MOD#3	202,500	-	202,500
SW Mockingbird Lane Drainage	97.039	127203	H0730	69	-	69
				3,424,701	-	3,424,701
Direct award Emergency Management Preparedness (EMPG)						
Emergency Management Preparedness (EMPG)	97.042	127112	G0303	61,522	-	61,522
EMPG-ARPA Amer Rescue Plan Act	97.042	127121	G0312	9,985	-	9,985
				71,507	-	71,507
FY20 FEMA AFG Equipment	97.044	12762	EMW-2020-FG-18333	346,110	-	346,110
Passed through the Florida Division of Emergency Management						
Operation Stonegarden	97.067		OPSG FY19 R0023	143,768	-	143,768
FY19 SHSGP MARC Sustainment	97.067	12730	R0011	104,375	-	104,375
				248,143	-	248,143
Total Department of Homeland Security				4,432,627	-	4,432,627
Total Expenditures of Federal Financial Assistance				\$ 23,827,787	\$ -	\$ 23,827,787

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

Martin County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2022

				Expenditures		
Federal Grantor/State Agency				County	Subrecipient	Total
Pass Through Entity/Program Title	Assistance Listing / CSFA #	Grant Fund #	Grant/Contract #			
FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS						
Passed through Division of Emergency Management:						
FY22 Emergency Preparedness	31.063	137111	A0211	\$ 77,762	\$ -	\$ 77,762
FY23 Emergency Preparedness	31.063	137112	A0239	20,191	-	20,191
				<u>97,953</u>	<u>-</u>	<u>97,953</u>
FY21 Haz Mat	31.067	13737	T0095	3,150	-	3,150
Total Florida Department of Community Affairs				101,103	-	101,103
FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION						
Direct Programs:						
Beach Management Funding Assistance Program						
St Lucie IMP Implementation	37.003	133002	21MI3	5,286,100	-	5,286,100
MC Shore Protection Plan	37.003	133004	21MI1	61,011	-	61,011
MC Shore Protection Plan	37.003	133005	22MI2	77,994	-	77,994
				<u>5,425,105</u>	<u>-</u>	<u>5,425,105</u>
Jensen Beach Compass Rose Public AR	37.039	13557	NS090	80,000	-	80,000
East Fork Creek Stormwater	37.039	133787	LPQ0004	59,175	-	59,175
Savannas South Weir	37.039	133789	LPA0114	100,000	-	100,000
				<u>239,175</u>	<u>-</u>	<u>239,175</u>
Water Restoration Assistance						
SRF Golden Gate Sewer	37.077	13415	WW430210	4,770,445	-	4,770,445
Office of Resilience & Coastal Program						
Indian Riverside Park Living Shoreline	37.098	133007	R2225	145,520	-	145,520
Division of Water Policy & Ecosystem Restoration						
Alternative Water Supply	37.100	13414	4600004159	200,000	-	200,000
Total Florida Department of Environmental Protection				10,780,245	-	10,780,245
FLORIDA HOUSING FINANCE CORPORATION						
Passed through State Housing Initiative Program:						
State Housing Initiative Program (SHIP)	40.901	13301	N/A	661,882	-	661,882
Total Florida Department of Community Affairs - Housing Finance				661,882	-	661,882
DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES						
Mosquito Control Work Program	42.003	13811	FDACS013082	50,519	-	50,519
Total Department of Agriculture & Consumer Services				50,519	-	50,519
FLORIDA DEPARTMENT OF STATE, DIVISION OF LIBRARY AND INFORMATION						
State Aid to Libraries	45.030	13233	19-ST-30	652	-	652
State Aid to Libraries	45.030	13234	20-ST-30	48,316	-	48,316
State Aid to Libraries	45.030	13235	21-ST-30	42,998	-	42,998
Total Florida Department of State, Division of Library and Information				91,966	-	91,966

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

Martin County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2022

				Expenditures		
Federal Grantor/State Agency						
Pass Through Entity/Program Title	Assistance Listing / CSFA #	Grant Fund #	Grant/Contract #	County	Subrecipient	Total
FLORIDA DEPARTMENT OF TRANSPORTATION						
Transportation Disadvantaged Planning FY21-22	55.002	133511	G1Y54	\$ 22,510	\$ -	\$ 22,510
Transportation Disadvantaged Planning FY21-22	55.002	133512	G2965	5,391	-	5,391
				<u>27,901</u>	<u>-</u>	<u>27,901</u>
Direct Programs:						
FDOT Airport Master Plan	55.004	13671	433159-1-94-01	11,745	-	11,745
FDOT Airport Operations Center Phase 2	55.004	13674	443872-1-94-01	148,394	-	148,394
FDOT Airport Operations Center Phase 3	55.004	13675	443872-1-94-01	769,824	-	769,824
FDOT Const. Stormwater Improvement	55.004	13676	445951-1-94-01	19,133	-	19,133
FDOT Construction Stormwater Impr.	55.004	13677	448892-1-94-01	532,530	-	532,530
FDOT Mill & Resurface Runway Design	55.004	13678	444025-1-94-01	119,440	-	119,440
FDOT Tractor Equipment	55.004	13679	448086-1-94-01	76,343	-	76,343
				<u>1,677,409</u>	<u>-</u>	<u>1,677,409</u>
Murphy Rd (Mapp to SLC) SCOP	55.009	133724	FM#436378-1-54-01	6,348	-	6,348
Dixie (Jefferson to Indian) SCOP	55.009	133725	FM#440242-1-54-01	243,558	-	243,558
				<u>249,906</u>	<u>-</u>	<u>249,906</u>
Public Transit Block Grant FY21	55.010	133607	G1V13	269,587	-	269,587
MC Treasure Coast Express - Transit Corridor	55.013	133606	G1S58	129,453	-	129,453
FDOT Sun Trail Network	55.038	133510	G1W11	49,653	-	49,653
Total Florida Department of Transportation				<u>2,403,909</u>	<u>-</u>	<u>2,403,909</u>
FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES						
DCF Substance Abuse Reinvestment Grant	60.115	13008	LHZ89	350,056	-	350,056
Total Department of Children and Families				<u>350,056</u>	<u>-</u>	<u>350,056</u>
FLORIDA DEPARTMENT OF HEALTH, BUREAU OF EMERGENCY MEDICAL						
Direct Programs:						
Emergency Medical Services Matching Grant	64.003	13770	C0043	3,916	-	3,916
Total Florida Department of Health, Bureau of Emergency Medical				<u>3,916</u>	<u>-</u>	<u>3,916</u>
STATE OF FLORIDA DEPARTMENT OF HEALTH,						
Tobacco Free Florida	64.093	130000	COTKA	161,643	-	161,643
Total Florida Department of Health, Community Health Division				<u>161,643</u>	<u>-</u>	<u>161,643</u>
STATE OF FLORIDA DEPARTMENT OF LAW ENFORCEMENT						
Office of Criminal Justice						
Crisis Response Unit	71.025	Sheriff	2019-SFA-GAA-43-SP-005	-	-	-
Total Florida Department of Law Enforcement				<u>-</u>	<u>-</u>	<u>-</u>
Florida Fish and Wildlife Conservation Commission						
Florida Boating Improvement Program						
Manatee Pocket Managed Mooring Field	77.006	133003	19030	187,764	-	187,764
Total Florida Fish and Wildlife				<u>187,764</u>	<u>-</u>	<u>187,764</u>
Total Expenditures of State Financial Assistance				<u>\$ 14,793,003</u>	<u>\$ -</u>	<u>\$ 14,793,003</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

MARTIN COUNTY, FLORIDA

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

Year Ended September 30, 2022

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, 2022. 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 26, 2023.

Report on 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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questions costs as item 2022-001 that we consider to be a significant deficiency.

Honorable Board of County Commissioners
Martin County, Florida

Report on 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 April 26, 2023.

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
April 26, 2023



**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

Opinion on 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, 2022. 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.

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 for the fiscal year ended September 30, 2022.

Basis for Opinion for Each Major Federal Program and State Project

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; and the audit 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*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibility of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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.

Report on Internal Control over Compliance (*Continued*)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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. 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 activities, each major fund, and the aggregate remaining fund information of the County as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated April 26, 2023, 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 County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for the 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and State Financial Assistance is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
April 26, 2023

MARTIN COUNTY, FLORIDA
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2022

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? X Yes ___ 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

21.027	Coronavirus State and Local Fiscal Recovery Funds
97.039	Hazard Mitigation Grant
20.205	Highway Planning and Construction

CSFA Numbers

Name of State Projects

37.003	Beach Erosion Control Program
37.077	Water Restoration Assistance

Dollar threshold used to distinguish between

Type A and Type B programs: Federal	<u>\$750,000</u>
State	<u>\$750,000</u>

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, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS

2022-001 – SEFA Preparation

Type of Finding – Significant Deficiency

Criteria:

Information reported on the County’s Schedule of Expenditures of Federal Awards and State Financial Assistance (“SEFA”) should be accurate and complete.

Condition:

During our testing, we noted several inaccuracies on the SEFA originally provided by the County. Some of the issues identified related to incorrect expenditures reported and grant expenditures reported under inaccurate assistance listing numbers. The SEFA was subsequently revised to correct these issues.

Cause:

Grant program managers did not ensure that all federal and state expenditures were reported in or reconciled to the appropriate general ledger accounts.

Effect:

An incomplete or inaccurate SEFA could increase the risk that a major grant is not properly identified and tested.

Recommendation:

We recommend that the County implement a process to include County departments and program managers to ensure that appropriate information is correctly identified and reported in the County’s SEFA.

Views of responsible officials and plan corrective action:

The County agrees with the recommendation to implement processes that require check and balance procedures between grant coordinators, Office of Management and Budget, and the Clerk’s Finance Division, to ensure the SEFA is complete and accurate. This includes enhanced focus on contract review and correct identification of cost allocations and grantor cost share. Additionally, the County is implementing continuous training for program managers and administrative staff on best practices and policy compliance as outlined in the grant policy, which includes procedural safeguards and internal controls. The County will also implement new access controls for reimbursement and granting agency portals.

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, 2022, and have issued our report thereon dated April 26, 2023.

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 Major State Project and on Internal Control over Compliance; Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, 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, which are dated April 26, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective action was taken to correct prior year's finding MLC 2021-001.

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 communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendation.

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 \$9,042,840.

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 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.

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.

Honorable Board of County Commissioners
Martin County, Florida

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
April 26, 2023



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, 2022. 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 AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied 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.

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2022.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
April 26, 2023



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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022



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Martin County, Florida
Clerk of the Circuit Court
For the Year Ended September 30, 2022

CONTENTS

	PAGE
Independent Auditor's Report.....	2
Special-Purpose Balance Sheet - Governmental Funds.....	6
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	7
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund.....	8
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Public Records Modernization Trust Fund.....	9
Special-Purpose Statement of Fiduciary Net Position - Custodial Funds.....	10
Special-Purpose Statement of Changes in Fiduciary Net Position - Custodial Funds.....	11
Notes to Special-Purpose Financial Statements.....	12
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.....	23
Independent Auditor's Management Letter.....	25
Independent Accountant's Report.....	27



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

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, 2022, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Clerk as of September 30, 2022, and the respective change in financial position, and the budgetary comparison for the General Fund and Public Records Modernization Trust Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clerk's ability to continue as a going concern for a reasonable period of time.

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

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, 2022, 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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2023, 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, 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 25, 2023



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**Martin County, Florida
Clerk of the Circuit Court
Special-Purpose Balance Sheet
Governmental Funds
September 30, 2022**

	General	Public Records Modernization	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 574,598	\$ 1,687,997	\$ 2,262,595
Investments	3,217	348,431	351,648
Due from other county agencies	4,223	-	4,223
Due from other governmental agencies	293,035	-	293,035
Inventories	310	-	310
Prepaid items	6,360	24,750	31,110
Total assets	881,743	2,061,178	2,942,921
LIABILITIES			
Accounts payable	90,562	63,208	153,770
Accrued wages payable	120,225	503	120,728
Due to Board of County Commissioners	139,758	-	139,758
Due to other governmental agencies	82,987	-	82,987
Deposits and other liabilities	2,295	-	2,295
Total liabilities	435,827	63,711	499,538
FUND BALANCES			
Nonspendable:			
Inventories	310	-	310
Prepaid items	6,360	24,750	31,110
Restricted for:			
Court operations	439,246	1,972,717	2,411,963
Total fund balances	445,916	1,997,467	2,443,383
Total liabilities and fund balances	\$ 881,743	\$ 2,061,178	\$ 2,942,921

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, 2022

	General	Public Records Modernization	Total Governmental Funds
REVENUES			
Intergovernmental revenues	\$ 629,953	\$ -	\$ 629,953
Charges for services	3,382,861	479,692	3,862,553
Fines and forfeitures	1,236,100	-	1,236,100
Interest income	10,627	-	10,627
Miscellaneous revenues	46,188	-	46,188
Total revenues	5,305,729	479,692	5,785,421
EXPENDITURES			
Current:			
General government	7,249,278	30,382	7,279,660
Capital outlay	151,951	-	151,951
Total expenditures	7,401,229	30,382	7,431,611
Excess (deficiency) of revenues over (under) expenditures	(2,095,500)	449,310	(1,646,190)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,873,793	-	1,873,793
Transfers out	(2,202)	-	(2,202)
Total other financing sources (uses)	1,871,591	-	1,871,591
Net change in fund balances	(223,909)	449,310	225,401
Fund balances - beginning	669,825	1,548,157	2,217,982
Fund balances - ending	\$ 445,916	\$ 1,997,467	\$ 2,443,383

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ -	\$ 256,310	\$ 629,953	\$ 373,643
Charges for services	3,790,365	3,790,365	3,382,861	(407,504)
Fines and forfeitures	1,278,325	1,278,325	1,236,100	(42,225)
Interest income	10,768	8,148	10,627	2,479
Miscellaneous revenues	45,325	45,325	46,188	863
Total revenues	5,124,783	5,378,473	5,305,729	(72,744)
EXPENDITURES				
Current:				
General government	6,919,158	7,262,968	7,249,278	13,690
Capital outlay	-	156,501	151,951	4,550
Total expenditures	6,919,158	7,419,469	7,401,229	18,240
Deficiency of revenues under expenditures	(1,794,375)	(2,040,996)	(2,095,500)	(54,504)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,873,793	1,873,793	1,873,793	-
Transfers out	(76,797)	(76,797)	(2,202)	74,595
Total other financing sources (uses)	1,796,996	1,796,996	1,871,591	74,595
Net change in fund balance	2,621	(244,000)	(223,909)	\$ 20,091
Fund balance - beginning	-	244,000	669,825	
Fund balance - ending	\$ 2,621	\$ -	\$ 445,916	

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, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 516,000	\$ 516,000	\$ 479,692	\$ (36,308)
EXPENDITURES				
Current:				
General government	610,414	610,414	30,382	580,032
Excess (deficiency) of revenues over (under) expenditures	(94,414)	(94,414)	449,310	543,724
OTHER FINANCING USES				
Reserves	(1,397,729)	(1,397,729)	-	1,397,729
Net change in fund balance	(1,492,143)	(1,492,143)	449,310	<u>\$ 1,941,453</u>
Fund balance, beginning	1,492,143	1,492,143	1,548,157	
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,997,467</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 Fiduciary Net Position
Custodial Funds
September 30, 2022**

ASSETS

Cash and cash equivalents	\$ 6,239,986
Investments	<u>183,334</u>
Total assets	<u>6,423,320</u>

LIABILITIES

Due to other governmental agencies	<u>405,981</u>

TOTAL NET POSITION

Restricted for

Individuals, organizations, and other governments	<u><u>\$ 6,017,339</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, 2022

ADDITIONS:

Fees and charges collected for others	\$ 13,818,226

Total additions	<u>13,818,226</u>

DEDUCTIONS:

Payments to individuals, organizations, and other governments	<u>12,294,310</u>

Total deductions	<u>12,294,310</u>

Change in net position	1,523,916

Total net position - beginning	<u>4,493,423</u>

Total net position - ending	<u><u>\$ 6,017,339</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, 2022

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 as follows:

A. General Information

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

B. Reporting Entity and Financial Statement Presentation

The Clerk is a separately elected county official established pursuant to the Constitution of the State of Florida. The Clerk's special-purpose financial statements do not purport to reflect the financial position or the results of operations of the County taken as a whole.

Entity status for financial reporting purposes is governed by the Governmental Accounting Standards Board (GASB). The Clerk 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. The Clerk is 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, 2022, 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 (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, 2022

Major Funds

General Fund P 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 related and non-court-related. L6#(!"#\$\$%&* (717(:1+\$5) stated 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-+7/(2-56-7(56#(!"#\$\$%&* (717(:1+\$5) transitioned to ,)5:6(56#(1+758@*(*:)"8#)\$2)* 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 FY22, the County is due \$193,285 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 P 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 1<66#(!"#\$\$%&* (717(:1+\$5) 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. L6#(!"#\$\$%&* (717(:1+\$5) 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.

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, 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.

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2022

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 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 for review. The court-related budget was transitioned from the State fiscal year to the County fiscal year for funding. The budget for the 2022 fiscal year was due to the Corporation by June 1, 2021.

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, 2022

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. Investments are 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, 2022.

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 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, 2022

L. Use of Estimates

The preparation of special-purpose financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the special-purpose financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

M. Transfers In

In accordance with Florida Statutes, the Board is required to fund certain operations of the Clerk. These County appropriations are reported as transfers in and totaled \$1,873,793.

N. Transfers out

In accordance with Florida Statutes, all revenues in excess of expenditures for all non-court-related items at September 30, 2022, are due to the Board. All revenues in excess of appropriated budget authority for court related items through September 30, 2022, 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, 2022, were \$2,202.

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 \$310 and Prepaid items \$31,110). 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 \$2,411,963 as restricted fund balance for court operations.

Note 2 - Cash and Cash Equivalents and Investments

Cash and cash equivalents

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

Demand deposits	\$	8,496,506
Petty cash		6,075
	\$	<u>8,502,581</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, 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

17

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2022

The long-term liabilities are not reported in the special-purpose financial statements of the Clerk since they are not payable from available, spendable resources. They are reported in the government-wide financial statements of the County.

Note 4 Budget Versus Actual Revenue and Expenditures

The General Fund reported an unfavorable variance of \$72,744 in revenues in relation to budgeted revenues and a favorable variance of \$18,240 in operating and capital expenditures in relation to budgeted expenditures, for an overall net unfavorable variance of \$54,504. In addition, the Public Records Modernization Trust Fund reported an unfavorable variance of \$36,308 in revenue and a favorable variance of \$580,032 in expenditures in relation to budgeted revenues and expenditures, resulting in a net favorable variance of \$543,724 for the fiscal year.

Note 5 Retirement Plan

The Clerk participates in the Florida Retirement System and provides retirement benefits to employees through the following plans:

Plan Descriptions

The **Florida Retirement System (FRS) Pension Plan** and the **Retiree Health Insurance Subsidy (HIS) Program** are cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement. The FRS Pension Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. These benefits are established by Chapter 121, Florida Statutes, and may only be amended by the Florida legislature.

The HIS Program benefit is a monthly payment to assist retirees of the State-administered retirement systems in paying their health insurance costs. The HIS Program was established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time.

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 :175\$-0+5#(1(-7/-;-/+)"(,#0#\$@*(::1+75*M\$#/(#<-7#/(08(")2M0+566#(+5-,)5#(0#7#<-5#9#7/*(-7(9)\$5(17(56#(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.

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2022

The Investment Plan is administered by the State Board of Administration. An annual comprehensive financial report. Financial information on this plan is available on the web at <http://www.sbafla.com/>.

FRS and HIS Contributions

L6#(!"#%\$@#0"18#\$(175\$-0+5-175101560")7*(515)"#/(580,004 for the fiscal year ended September 30, 2022. 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. C("-)0-"-58\$#"5#6156#("##%\$@9\$191\$5-17)5#6)\$#1<56#0H\$#H\$#7#50#7*-17("-)0-"-58€1\$01560")7*(2-"(0#(reported in the financial statements of the County for fiscal year ended September 30, 2022. 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)H#(1\$05#?L6#(9#\$.#75)H#(##,"1<(#,9"18##*@(9)8\$1!T75\$-0+5-17)5#*(-*#5#\$, -7#/(+*-7H(56#(<\$1.#7(#75\$8)H#(actuarial cost method.

Beginning July 1, 1998, the FRS implemented the Deferred Retirement Option Program (DROP), which is a program within the FRS Pension Plan that allows members to retire without terminating their employment for up to five years while their retirement benefits accumulate and earn interest compounded monthly at a stated effective annual rate. For members who entered DROP prior to July 1, 2011, the rate is 6.5%. For members who enter DROP on or after July 1, 2011, the rate is 1.3%. Members may participate in DROP when they are vested and have reached their normal retirement date. When the DROP period ends, members must terminate employment. At that time, members will receive their accumulated DROP benefits and begin receiving their monthly retirement benefit.

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2022

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, 2022:

<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%	11.91%
Special Risk	3.00%	27.83%
State Attorney/Public Defender	3.00%	67.79%
County, City, Special District Elected Officers	3.00%	57.00%
Special Risk Administrative Support	3.00%	38.65%
Senior Management	3.00%	31.57%
Deferred Retirement Option Program	N/A	18.60%

*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, 2022, 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, 2022, 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.

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2022

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.

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Note 6 - Other Postemployment Benefits

In addition to the retirement system described in Note 4, the Clerk provides postretirement health care benefits, in accordance with state statutes, to all employees who retire from the Clerk after vesting with the retirement system. Currently, thirty 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 health care benefits. Expenditures for postretirement health care benefits are recognized as premiums are paid. During the year, expenditures of \$130,212 were recognized for postretirement health care.

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Note 7 Risk Management

The Clerk is exposed to various risks of loss related to tort; theft of, damage to, and to destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk participates in the Self-Insurance program of the County. L6#(:1;#)\$H#(<1\$(#,9"18##(6#)"56M\$19#\$58M(7#)\$"()-0-"-58M(51,10-"#("-)0-"-58M(1\$%#\$*@\$

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2022

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 \$1,078,525 during the fiscal year ended September 30, 2022, and are included as expenditures in the accompanying special-purpose financial statements. As of September 30, 2022, there have been no special assessments. Settlements have not exceeded coverage for each of the past three fiscal years.

Note 8 - Contingencies

Grant funds received by the Clerk are subject to audit by grantor agencies. Audits of these grants may result in disallowed costs, which may constitute a liability of the Clerk. In the opinion of management, disallowed costs, if any, would be immaterial to the financial position of the Clerk.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Clerk of the Circuit Court and Comptroller of Martin County, Florida (the "Clerk") as of and for the fiscal year ended September 30, 2022, 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 25, 2023.

Report on 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

Report on 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 25, 2023.

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 25, 2023



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, 2022, and have issued our report thereon dated January 25, 2023.

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 25, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding 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 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 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 25, 2023



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, 2022. 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 AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied with the aforementioned requirements in all material respects. An examination involves performing procedures to obtain evidence about the Clerk's compliance with those requirements, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Clerk's compliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement. Our examination does not provide a legal determination on the Clerk's compliance with the specified requirements.

In our opinion, the Clerk complied with the aforementioned requirements for the fiscal year ended September 30, 2022, in all material respects.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
January 25, 2023



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**MARTIN COUNTY, FLORIDA
PROPERTY APPRAISER**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022



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Martin County, Florida
Property Appraiser
For the Year Ended September 30, 2022

CONTENTS

	PAGE
Independent Auditor's Report.....	1
Special-Purpose Balance Sheet - General Fund.....	5
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund.....	6
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund.....	7
Notes to Special-Purpose Financial Statements.....	8
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.....	16
Independent Auditor's Management Letter.....	18
Independent Accountant's Report.....	20



INDEPENDENT AUDITOR'S REPORT

To the Honorable Jenny Fields,
Property Appraiser of Martin County, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Martin County, Florida Property Appraiser (the "Property Appraiser") as of and for the fiscal year ended September 30, 2022, 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.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Property Appraiser as of September 30, 2022, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

To the Honorable Jenny Fields,
Property Appraiser of Martin County, Florida

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Property Appraiser's ability to continue as a going concern for a reasonable period of time.

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

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, 2022, 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.

To the Honorable Jenny Fields,
Property Appraiser of Martin County, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2023, 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, 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 18, 2023



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Martin County, Florida
Property Appraiser
Special-Purpose Balance Sheet
General Fund
September 30, 2022

ASSETS

Cash and cash equivalents	\$	126,314
Accounts receivable		<u>1,047</u>
Total assets		<u><u>127,361</u></u>

LIABILITIES

Accounts payable		9,334
Accrued wages payable		46,733
Due to Board of County Commissioners		69,071
Due to other governmental agencies		<u>2,223</u>
Total liabilities		<u>127,361</u>

FUND BALANCE

Total fund balance		<u>-</u>
Total liabilities and fund balance	\$	<u><u>127,361</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
General Fund
For the Year Ended September 30, 2022

REVENUES

Charges for services	\$ 158,679
Interest income	734
Miscellaneous revenues	<u>133</u>
Total revenues	<u><u>159,546</u></u>

EXPENDITURES

Current:	
General government	<u>4,091,134</u>

Deficiency of revenues under expenditures	<u><u>(3,931,588)</u></u>

OTHER FINANCING SOURCES

Transfers in	4,000,659
Transfers out	<u>(69,071)</u>
Total other financing sources	<u><u>3,931,588</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 146,216	\$ 150,306	\$ 158,679	\$ 8,373
Interest income	-	-	734	734
Miscellaneous revenues	-	-	133	133
Total revenues	<u>146,216</u>	<u>150,306</u>	<u>159,546</u>	<u>9,240</u>
EXPENDITURES				
Current:				
General government	<u>3,991,536</u>	<u>4,150,965</u>	<u>4,091,134</u>	<u>59,831</u>
Deficiency of revenues under expenditures	<u>(3,845,320)</u>	<u>(4,000,659)</u>	<u>(3,931,588)</u>	<u>69,071</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	3,845,320	4,000,659	4,000,659	-
Transfer out	<u>-</u>	<u>-</u>	<u>(69,071)</u>	<u>(69,071)</u>
Total other financing sources (uses)	<u>3,845,320</u>	<u>4,000,659</u>	<u>3,931,588</u>	<u>(69,071)</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, 2022

Note 1 - Summary of Significant Accounting Policies

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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 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") 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.

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 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, 2022, 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 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, 2022

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 <J".*5+?"="+>#*2-1&"-(#5#!"#."5*+%,"#(#+!"#5,."5+3#6..5*%\$"5N((#)"#(,5#!'"\$-%'&#(%)\$)*3#*59%#!'"#*""5# and form prescribed by the Department. A copy of such budget is furnished at the same time to the Martin County Board of Count3#8,??%\$\$%,""5\$#;+!"#<D,*51=AM# 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.

Q'#!"#&,B"5"?"+*/#*)+%B%-\$%)!\$%,#(#+!"#8,-'!+3C\$#&,B"5"?"+ -wide financial statements all capital assets with a cost of \$5,000 or greater and an estimated life of more than one year are capitalized and recorded at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at their estimated acquisition value on the date donated. No depreciation has been provided on capital assets in these special-purpose financial statements, however, depreciation expense is recorded in the government-wide financial statements of the County.

Martin County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2022

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 \$4,000,659.

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 \$71,294 as of September 30, 2022, of which \$69,071 was transferred out to the Board and \$2,223 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 \$125,914 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). P'1"5#+!%\$)+9#,5%1*CS#%"(#%'*)%*/R((%)"5# 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, 2022, was \$172,417.

Martin County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2022

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, 2022, were as follows:

	Beginning 10/01/2021	Additions	Reductions	Ending 09/30/2022
Compensated absences	\$ <u>192,652</u>	\$ <u>207,706</u>	\$ <u>(205,212)</u>	\$ <u>195,146</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, 2022

participating in the DROP are not eligible to participate in the Investment Plan. Employer and employee 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 annual comprehensive financial report. Financial information on this plan is available on the web at <http://www.sbafla.com/>.

FRS and HIS Contributions

For the fiscal year ended September 30, 2022, 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 net pension liability for both plans will be reported in the financial statements of the County for fiscal year ended September 30, 2022. 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. The actuarial cost method.

Martin County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2022

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, 2022:

<u>Membership Class</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate*</u>
Regular	3.00%	11.91%
Special Risk	3.00%	27.83%
State Attorney/Public Defender	3.00%	67.79%
County, City, Special District Elected Officers	3.00%	57.00%
Special Risk Administrative Support	3.00%	38.65%
Senior Management	3.00%	31.57%
Deferred Retirement Option Program	N/A	18.60%

*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, 2022, 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, 2022, 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, 2022

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.

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, five (5) retirees meet those eligibility requirements. Retired employees of the Property Appraiser hired prior to October 13, 2009, who retire after 30 years of service, or after the age of 55, with ten years of credited service with the County and who were participants in the existing medical plan at the time of retirement, are entitled to participation in the County administered single-employer defined benefit health care plan. For these retirees, the Agency subsidizes 75% of the cost of health care coverage for the retiree. The retiree may choose family coverage, but would have to pay the difference in premium cost. Once employees become eligible for Medicare all subsidies from the Property Appraiser end. Employees who were hired on or after October 13, 2009, are not eligible for post-retirement health care benefits. Expenditures for postretirement health care benefits are recognized as premiums are paid. During the year, expenditures of \$19,128 were recognized for postretirement health care.

Martin County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2022

Statement of Net Position. :-5+!"5#%('5?#+%,#2,-+R4LD#%\$B*%/*2/%##!"8,-'+3C\$# Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022.

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 /%*2%/0;5D#5\$C\$;?."\$*+%,9# *'1#.-2/%)#'?./,3""# 2,'1# *'1 #), mprehensive 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 \$506,780 during the fiscal year ended September 30, 2022, and are included as expenditures in the accompanying special-purpose financial statements. As of September 30, 2022, 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 Martin County, Florida Property Appraiser (the “Property Appraiser”) as of and for the fiscal year ended September 30, 2022, 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 18, 2023.

Report on 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

Report on 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 18, 2023.

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 18, 2023



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 Martin County, Florida Property Appraiser (the "Property Appraiser") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated January 18, 2023.

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 18, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding 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 18, 2023



INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Jenny Fields,
Property Appraiser of Martin County, Florida

We have examined the Martin County, Florida Property Appraiser's (the "Property Appraiser") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2022. The Property Appraiser's 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 AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Property Appraiser complied with the aforementioned requirements in all material respects. An examination involves performing procedures to obtain evidence about the Property Appraiser's compliance with those requirements, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Property Appraiser's compliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement. Our examination does not provide a legal determination on the Property Appraiser's compliance with the specified requirements.

In our opinion, the Property Appraiser complied with the aforementioned requirements for the fiscal year ended September 30, 2022, in all material respects.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
January 18, 2023



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**MARTIN COUNTY, FLORIDA
SHERIFF**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022



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MARTIN COUNTY, FLORIDA
Sheriff
For the Year Ended September 30, 2022

Table of Contents

	PAGE
Independent Auditor's Report.....	1
Special-Purpose Balance Sheet - Governmental Funds.....	4
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	5
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund.....	6
Special-Purpose Statement of Net Position - Self-Insurance - Internal Service Fund.....	7
Special-Purpose Statement of Revenues, Expenditures and Changes in Net Position - Self-Insurance - Internal Service Fund.....	8
Special-Purpose Statement of Cash Flows.....	9
Special-Purpose Statement of Fiduciary Net Position - Custodial Funds.....	10
Special-Purpose Statement of Changes in Fiduciary Net Position.....	11
Notes to Special-Purpose Financial Statements.....	12
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.....	24
Independent Auditor's Management Report.....	26
Independent Accountant's Report.....	28



INDEPENDENT AUDITOR'S REPORT

To the Honorable William Snyder,
Sheriff of Martin County, Florida

Report on the Audit of the Financial Statements

Opinion

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, 2022, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Sheriff as of September 30, 2022, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

To the Honorable William Snyder,
Sheriff of Martin County, Florida

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheriff's ability to continue as a going concern for a reasonable period of time.

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

To the Honorable William Snyder,
Sheriff of Martin County, Florida

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, 2022, 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.

As discussed in Notes 4 and 5 to the financial statements, in the fiscal year ended September 30, 2022, the Sheriff adopted the provisions of Government Accounting Standards Board Statement (“GASBS”) Number 87, *Leases*. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2023, 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff’s internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
April 14, 2023

Martin County, Florida
Sheriff
Balance Sheet
Governmental Funds
September 30, 2022

	<u>General</u>	<u>Canteen/Inmate Welfare Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 281,375	\$ 511,289	\$ 451,272	\$ 1,243,936
Accounts receivable	237,519	42,051	-	279,570
Due from other funds	137,577	-	-	137,577
Due from other county agencies	160,512	-	45,892	206,404
Due from other governmental agencies	247,629	-	87,217	334,846
Total assets	<u>\$ 1,064,612</u>	<u>\$ 553,340</u>	<u>\$ 584,381</u>	<u>\$ 2,202,333</u>
LIABILITIES				
Accounts payable	273,922	794	5,098	279,814
Due to other funds	293,375	30,029	107,548	430,952
Due to Board of County Commissioners	497,225	-	14,242	511,467
Due to other governmental agencies	90	-	-	90
Total liabilities	<u>1,064,612</u>	<u>30,823</u>	<u>126,888</u>	<u>1,222,323</u>
FUND BALANCES				
Restricted for:				
Inmate Welfare Fund	-	522,517	-	522,517
Grant Funds	-	-	352,484	352,484
Trust Funds	-	-	105,009	105,009
Total fund balances	<u>-</u>	<u>522,517</u>	<u>457,493</u>	<u>980,010</u>
Total liabilities and fund balances	<u>\$ 1,064,612</u>	<u>\$ 553,340</u>	<u>\$ 584,381</u>	<u>\$ 2,202,333</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, 2022**

	General	Canteen/Inmate Welfare Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ 597,332	\$ 597,332
Charges for services	3,734,067	618,729	-	4,352,796
Fines and forfeitures	-	-	18,584	18,584
Interest income	96,926	105	46	97,077
Miscellaneous revenues	159,737	123,356	-	283,093
Total revenues	3,990,730	742,190	615,962	5,348,882
EXPENDITURES				
Current				
General government	3,816,541	606,774	-	4,423,315
Public safety	76,796,040	-	570,908	77,366,948
Capital outlay	2,752,245	-	342,867	3,095,112
Debt service:				
Principal	1,194,827	-	-	1,194,827
Interest	150,352	-	-	150,352
Total expenditures	84,710,005	606,774	913,775	86,230,554
Excess (deficiency) of revenues over (under) expenditures	(80,719,275)	135,416	(297,813)	(80,881,672)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	253,298	-	-	253,298
Issuance of long term leases	631,075	-	-	631,075
Transfers in	80,412,378	-	256,947	80,669,325
Transfers out	(577,476)	-	(99,031)	(676,507)
Total other financing sources (uses)	80,719,275	-	157,916	80,877,191
Net change in fund balances	-	135,416	(139,897)	(4,481)
Fund balances - beginning	-	387,101	597,390	984,491
Fund balances - ending	\$ -	\$ 522,517	\$ 457,493	\$ 980,010

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 3,648,120	\$ 3,648,120	\$ 3,734,067	\$ 85,947
Interest income	40,000	40,000	96,926	56,926
Miscellaneous revenues	63,000	63,000	159,737	96,737
Total revenues	3,751,120	3,751,120	3,990,730	239,610
EXPENDITURES				
Current				
General government	3,689,108	3,689,108	3,816,541	(127,433)
Public safety	76,981,805	76,981,805	76,796,040	185,765
Capital outlay	2,719,087	2,719,087	2,752,245	(33,158)
Debt service				
Principal	-	-	1,194,827	(1,194,827)
Interest	-	-	150,352	(150,352)
Total expenditures	83,390,000	83,390,000	84,710,005	(1,320,005)
Deficiency of revenues under expenditures	(79,638,880)	(79,638,880)	(80,719,275)	(1,080,395)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	253,298	253,298
Issuance of long term leases	-	-	631,075	631,075
Transfers in	79,678,880	79,678,880	80,412,378	733,498
Transfers out	(40,000)	(40,000)	(577,476)	(537,476)
Total other financing sources (uses)	79,638,880	79,638,880	80,719,275	1,080,395
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, 2022

ASSETS

Current assets:

Cash and cash equivalents	\$	4,452,078
Accounts receivable		1,035,501
Due from other funds		293,375
Prepaid items		<u>4,000</u>
Total assets		<u><u>5,784,954</u></u>

LIABILITIES

Current liabilities:

Accrued claims		<u>612,672</u>

NET POSITION

Unrestricted	\$	<u><u>5,172,282</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, 2022

OPERATING REVENUES

Charges for services	\$ 13,017,951
Miscellaneous revenues	<u>513,533</u>
Total operating revenues	<u><u>13,531,484</u></u>

OPERATING EXPENSES

General, administrative and claims	<u>15,789,972</u>
Operating Loss	<u><u>(2,258,488)</u></u>

NONOPERATING REVENUES (EXPENDITURES)

Interest income	<u>31,276</u>
Change in net position	(2,227,212)
Total net position - beginning	<u>7,399,494</u>
Total net position - ending	<u><u>\$ 5,172,282</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, 2022

	<u>Self-Insurance</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 13,615,642
Claims and administrative services paid	<u>(16,255,794)</u>
Net cash used in operating activities	<u>(2,640,152)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned	<u>31,276</u>
Net cash provided by investing activities	<u>31,276</u>
Net decrease in cash and cash equivalents	(2,608,876)
Cash and cash equivalents - beginning of the year	<u>7,060,954</u>
Cash and cash equivalents - end of year	<u><u>\$ 4,452,078</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (2,258,488)
Change in assets and liabilities:	
Receivables, net	(130,860)
Accounts payable	<u>(250,804)</u>
Net cash used in operating activities	<u><u>\$ (2,640,152)</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, 2022

ASSETS

Cash and cash equivalents	\$ 702,346

LIABILITIES

Deposits	206,024

NET POSITION

Restricted for:

Individuals, organizations, and other governments	\$ 496,322

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, 2022

ADDITIONS:

Fees and charges collected for others	\$ 738,297
Miscellaneous	<u>1,216,839</u>
Total additions	<u>1,955,136</u>

DEDUCTIONS:

Payments to Martin County Board of County Commissioners	36,310
Payments to individuals, organizations, and other governments	<u>1,917,251</u>
Total deductions	<u>1,953,561</u>

Change in net position	1,575
Total net position - beginning, as restated	<u>494,747</u>
Total net position - ending	<u>\$ 496,322</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, 2022

Note 1 - Summary of Significant Accounting Policies

below:

A. General Information

Martin County is 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. 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). 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 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, 2022, 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.

Each major fund is reported in a separate column. The various types and funds used by the Sheriff are described as follows:

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

Governmental Funds

The Sheriff has the following major governmental funds:

General Fund I 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 I 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 I This fund is used to account for the activities of the Sheriff's law enforcement grants and services.

Fiduciary Funds

Custodial Fund I 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 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

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

and expenses from non-operating items. Operating revenues and expenditures generally result from providing services and producing and delivering goods in),""'+%, '# 0%+!#"#(-'1B\$#.5%)%.*/#&,%'&#,"5*+ions. 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.

J#+!"#&,@'5">"+*/#*)+%(%)+"\$#\$")+%,#,(#+!"#7,-'+3B\$#&#&@15\$ 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.

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

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 \$80,412,378 (5#+"#4!"5%((B\$#K""5*/#9-'1#*'240,558 for +!"#4!"5%((B\$#M+!"5#K,@"5">""+*/#(-'1\$

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.

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 :+!"#;4+*+"#N,/<=#,5#*3#%'+5&,@'5">""+*/#%'@"\$+>""+# 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.

Note 2 - Cash and Cash Equivalents and Investments

Cash and cash equivalents (including fiduciary funds) consist of the following at September 30, 2022:

Demand deposits	\$	6,394,710
Petty cash		3,650
	\$	<u>6,398,360</u>

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

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. At year-end were designated as qualified public depositories. The bank balance as of September 30, 2022, was \$9,518,675.

Note 3 Interfund Receivables and Payables and Transfers

Interfund receivable and payable balances at September 30, 2022, consist of the following:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 137,577	\$ 293,375
Canteen Fund	-	30,029
Other Governmental Funds	-	107,548
Self-Insurance Fund	293,375	-
	<u>\$ 430,952</u>	<u>\$ 430,952</u>

The interfund receivable and payable is for short-term loans from the general fund to fund operations of the various special revenue programs, which will be reimbursed upon receipt of billings.

Transfers for the year ended September 30, 2022, were as follows:

Fund	<u>Transfers In From:</u>			<u>Transfers Out To:</u>		
	Board	General Fund	Total	Board	Other Governmental Funds	Total
General Fund	\$ 80,412,378	\$ -	\$ 80,412,378	\$ 561,087	\$ 16,389	\$ 577,476
Other Governmental Funds	240,558	16,389	256,947	99,031	-	99,031
Total Transfers	<u>\$ 80,652,936</u>	<u>\$ 16,389</u>	<u>\$ 80,669,325</u>	<u>\$ 660,118</u>	<u>\$ 16,389</u>	<u>\$ 676,507</u>

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.

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

Note 4 Capital Assets and Right of Use Leased Assets

Capital assets consisted of vehicles, furniture, fixtures and equipment. Changes in capital assets for the year ended September 30, 2022, which are reported in the basic Government Wide Financial Statements of the County, were as follows:

	Beginning 10/01/21	Additions	Deletions	Ending 09/30/22
Capital assets, being depreciated:				
Machinery and equipment	\$ 29,526,602	\$ 2,636,918	\$ (579,975)	\$ 31,583,545
Accumulated depreciation	<u>(16,305,660)</u>	<u>(3,235,262)</u>	<u>502,716</u>	<u>(19,038,206)</u>
Total capital assets being depreciated	<u>13,220,942</u>	<u>(598,344)</u>	<u>(77,259)</u>	<u>12,545,339</u>
Right of use assets, being amortized:				
Tasers and Computer Hardware	-	631,075	-	631,075
Accumulated amortization	<u>-</u>	<u>(197,314)</u>	<u>-</u>	<u>(197,314)</u>
Total right of use assets being amortized	<u>-</u>	<u>433,761</u>	<u>-</u>	<u>433,761</u>
Total Capital Assets and Right of Use Leased Assets	<u>\$ 13,220,942</u>	<u>\$ (164,583)</u>	<u>\$ (77,259)</u>	<u>\$ 12,979,100</u>

Note 5 Long Term Liabilities

Long-term liabilities are not reported in the special purpose financial statements of the Sheriff since they are not payable from available, spendable resources. They are reported in the Government Wide Financial Statements of the County.

Changes in long-term liabilities for the year ended September 30, 2022, were as follows:

	Beginning 10/01/21	Additions	Deletions	Ending 09/30/22
Compensated Absences	\$ 8,531,392	\$ 815,531	\$ (531,016)	\$ 8,815,907
Leases	-	631,075	(222,445)	408,630
Financed purchase agreements	<u>5,707,152</u>	<u>253,298</u>	<u>(972,382)</u>	<u>4,988,068</u>
Total	<u>\$ 14,238,544</u>	<u>\$ 1,699,904</u>	<u>\$ (1,725,843)</u>	<u>\$ 14,212,605</u>

Leases are defined by the general government as the right to use an underlying asset. The financial statements include the adoption of GASB Statement No. 87, Leases, for the year ended September 30, 2022. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right of use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For the Sheriff, this is not reflected in the fund statements, but is reported at government-0%1"%'#!"#,-'+3B\$#O"-*/# Comprehensive Financial Report.

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

The Sheriff had the following leases as of September 30, 2022:

Axon Enterprises: On October 1, 2021, the Sheriff recognized a 5-year lease as a lessee for the use of 270 Axon O4HG#QB\$A#%'%+%*\$#*3 *2/"#0*\$5"),51"1#%'#!"#>,-'+# ,(L561,236. As of September 30, 2022, the amount of the lease payable is \$371,744. The Sheriff is required to make annual payments on the lease. The lease has an interest rate of 3%. The value of the right-to-use asset as of September 30, 2022, was \$561,236 with accumulated amortization of \$172,688, and a net book value \$388,548.

Dell Financial Services: On October 1, 2021, the Sheriff recognized a 49-month lease as a lessee for the use of Dell hardware. An initial lease payable was recorded in the amount of \$69,839. As of September 30, 2022, the amount of the lease payable is \$36,886. The Sheriff is required to make annual payments, plus a final one-month payment, on the lease. The lease has an interest rate of 3%. The value of the right-to-use asset as of September 30, 2022, was \$69,839 with accumulated amortization of \$24,626, and a net book value \$45,213.

The annual debt service requirements to maturity for leases are as follows:

Year Ending September 30,	Principal	Interest
2023	\$ 216,500	\$ 8,264
2024	192,130	1,781
Total	<u>\$ 408,630</u>	<u>\$ 10,045</u>

The Sheriff had the following financed purchase agreements as of September 30, 2022:

Government Capital Corporation: On January 24, 2020, the Sheriff entered into a financed purchase agreement for a CAD 911 System Software. Payments are \$342,605 annually, with the final payment due in January 2025. The interest rate is 2.686%.

Government Capital Corporation: On November 18, 2020, the Sheriff entered into a financed purchase agreement for a helicopter, related equipment, and an additional warranty. Payments are \$693,638 annually, with the final payment due in September 2028. The interest rate is 2.382%.

Government Capital Corporation: On March 15, 2022, the Sheriff entered into a financed purchase agreement for equipment for the Bomb Squad. The first year payment was \$80,000, with additional payments of \$92,809 due annually until September 2024. The interest rate is 3.105%. (This was reassigned to Santander Bank, N.A. on March 29, 2022.)

The annual debt service requirements to maturity for financed purchase agreements are as follows:

Year Ending September 30,	Principal	Interest
2023	\$ 1,005,993	\$ 123,059
2024	1,031,548	97,504
2025	964,948	71,295
2026	646,342	47,296
2027	661,737	31,901
Thereafter	677,500	16,138
Total	<u>\$ 4,988,068</u>	<u>\$ 387,193</u>

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

Note 6 - Budget versus Actual Expenditures

The General Fund reported an unfavorable variance of \$1,286,847 in operating expenditures and debt service in relation to budgeted expenditures in the current fiscal year and an unfavorable variance of \$33,158 in capital outlay, resulting in an overall variance of \$1,320,005 for the fiscal year.

Note 7 - Retirement Plan

The Sheriff participates in the Florida Retirement System and provides retirement benefits to employees through the following plans:

Plan Descriptions

The **Florida Retirement System (FRS) Pension Plan** and the **Retiree Health Insurance Subsidy (HIS) Program** are cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement. The FRS Pension Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. These benefits are established by Chapter 121, Florida Statutes, and may only be amended by the Florida legislature.

The HIS Program benefit is a monthly payment to assist retirees of the State-administered retirement systems in paying their health insurance costs. The HIS Program was established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time.

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 accounts, 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.

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

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

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, 2022:

<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%	11.91%
Special Risk	3.00%	27.83%
State Attorney/Public Defender	3.00%	67.79%
County, City, Special District Elected Officers	3.00%	57.00%
Special Risk Administrative Support	3.00%	38.65%
Senior Management	3.00%	31.57%
Deferred Retirement Option Program	N/A	18.60%

*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, 2022, 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, 2022, the contribution rate was 1.66 percent of payroll. The Sheriff contributed 100 percent of its statutorily required contributions for the current and preceding three years. The HIS Program contributions are deposited in a separate trust fund from which payments are authorized. The HIS Program benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

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, 2022, 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.

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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 2""("+\$8#/#),51*)"# 0%+\$#*+\$#*+-\$8#/#>./,3""\$# 0!,\$ 5"+%\$5#>#+"!"#4!"5%((B\$M(%)"#+"5@)"\$+%0%#!"# the state of Florida Retirement System (FRS). Currently, 305 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 cre1%+*2/"8#),'+%'-,\$#\$"5@%)">#0%4!!5%((B\$M(%)"# 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.

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Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

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),@5*&"B\$ any of the last three years.

! "# 4!"5%((B\$5,-.# S"/+!#J\$-5*)"# %\$#/-insured and administered by a third party administrator. All assets, liabilities and operations related to health insurance as of September 30, 2022, *5"#),-+"1# (,5#%#!"#!"5%((B\$# Internal Service Fund. The Sheriff has excess coverage in place for instances where losses exceed individual claims of \$150,000 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+3#(,5#+!"#4!"5%((B\$#%'+5"/#\$5@%)#(-'1\$#%#(2022)*#3'2021# were as follows:

<u>Fiscal Year</u>	<u>Liability Beginning Balance</u>	<u>Additions</u>	<u>Claim Payments</u>	<u>Liability Ending Balance</u>
2022	\$ 863,476	\$ 15,539,168	\$ (15,789,972)	\$ 612,672
2021	\$ 559,942	\$ 13,866,935	\$ (13,563,401)	\$ 863,476

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, 2022, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated April 14, 2023.

Report on 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

Report on Compliance and Other Matters

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

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the Sheriff in a separate management letter and Independent Accountant's Report dated April 14, 2023.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
April 14, 2023



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, 2022, and have issued our report thereon dated April 14, 2023.

Auditor's Responsibility

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

Other Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated April 14, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding 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
April 14, 2023



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, 2022. 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.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Sheriff complied with the aforementioned requirements in all material respects. An examination involves performing procedures to obtain evidence about the Sheriff's compliance with those requirements, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Sheriff's compliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement. Our examination does not provide a legal determination on the Sheriff's compliance with the specified requirements.

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2022.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
April 14, 2023



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**MARTIN COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022



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Martin County, Florida
Supervisor of Elections
For the Year Ended September 30, 2022

CONTENTS

	PAGE
Independent Auditor's Report.....	1
Special-Purpose Balance Sheet - General Fund.....	5
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund.....	6
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund.....	7
Notes to Special-Purpose Financial Statements.....	8
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.....	16
Independent Auditor's Management Report.....	18
Independent Accountant's Report.....	20



INDEPENDENT AUDITOR'S REPORT

To the Honorable Vicki Davis,
Supervisor of Elections of Martin County, Florida

Report on the Audit of the Financial Statements

Opinion

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, 2022, and the related notes to the financial statements, which collectively comprise the Supervisor's basic financial statements, as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Supervisor as of September 30, 2022, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

To the Honorable Vicki Davis,
Supervisor of Elections of Martin County, Florida

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Supervisor's ability to continue as a going concern for a reasonable period of time.

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

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, 2022, 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.

To the Honorable Vicki Davis,
Supervisor of Elections of Martin County, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2023, 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, 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 26, 2023



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Martin County, Florida
Supervisor of Elections
Special-Purpose Balance Sheet
General Fund
September 30, 2022

ASSETS

Cash and cash equivalents	\$	145,774

LIABILITIES

Accounts payable		42,240

Accrued wages payable		13,949

Due to Board of County Commissioners		89,585

Total liabilities		<u>145,774</u>

FUND BALANCE

Total fund balance		<u>-</u>

Total liabilities and fund balance	\$	<u><u>145,774</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, 2022

REVENUES

Intergovernmental revenues	\$	32,751
Charges for services		2,121
Interest income		1,600
Miscellaneous revenues		<u>11,460</u>
Total revenues		<u><u>47,932</u></u>

EXPENDITURES

Current:		
General government		1,233,333
Capital outlay		<u>36,604</u>
Total expenditures		<u><u>1,269,937</u></u>

Deficiency of revenues under expenditures		<u><u>(1,222,005)</u></u>

OTHER FINANCING SOURCES

Transfers in		1,311,590
Transfers out		<u>(89,585)</u>
Total other financing sources		<u><u>1,222,005</u></u>

Fund balance - beginning		<u><u>-</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
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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ 32,751	\$ 32,751
Charges for services	-	-	2,121	2,121
Interest income	-	-	1,600	1,600
Miscellaneous revenues	-	-	11,460	11,460
Total revenues	-	-	47,932	47,932
EXPENDITURES				
Current:				
General government	1,310,590	1,310,590	1,233,333	77,257
Capital outlay	1,000	1,000	36,604	(35,604)
Total expenditures	1,311,590	1,311,590	1,269,937	41,653
Deficiency of revenues under expenditures	(1,311,590)	(1,311,590)	(1,222,005)	89,585
OTHER FINANCING SOURCES (USES)				
Transfers in	1,311,590	1,311,590	1,311,590	-
Transfers out	-	-	(89,585)	(89,585)
Total other financing sources (uses)	1,311,590	1,311,590	1,222,005	(89,585)
Fund balance - beginning	-	-	-	
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 Statements
For the Year Ended September 30, 2022

Note 1 - Summary of Significant Accounting Policies

The significant accounting policies followed by the Supervisor of Elections of Martin County, Florida (the "County") are as follows:

A. General Information

Martin County, Florida, is 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 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 Standard, GASB 34. 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 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, 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, 2022, 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 Supervisors. The operations are accounted for in a governmental fund type, as prescribed by 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 Statements
For the Year Ended September 30, 2022

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 Statements
For the Year Ended September 30, 2022

In the governmental fund-wide financial statements all capital assets with a cost of \$5,000 or greater and an estimated life of more than one year are capitalized and recorded at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at their estimated acquisition value on the date donated. No depreciation has been provided on capital assets in these special-purpose financial statements, however, depreciation expense is recorded in the government-wide financial statements of the County.

H. Compensated Absences

It is the policy of the Supervisor to permit employees to accumulate a limited amount of earned but unused vacation benefits and sick leave, which will be paid to employees upon separation from service. The liability for compensated absences is not reported in the special-purpose financial statements, but rather is reported in the government-wide financial statements of the County.

I. Use of Estimates

The preparation of special-purpose financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the special-purpose financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

J. Transfers In

In accordance with *Florida Statutes*, the Board of County Commissioners is required to fund certain operations of the Supervisor of Elections. These County appropriations are reported as transfers in and totaled \$1,311,590.

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. Revenues in excess of expenditures transferred out and due to the Board as of September 30, 2022, were \$89,585.

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; 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; and unassigned fund balance includes all spendable amounts not contained in other classifications.

Martin County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2022

Note 2 Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

Demand deposits	\$ 144,074
Petty cash	<u>700</u>
	<u>\$145,774</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, the Supervisor 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, 2022, are as follows:

	<u>Beginning 10/01/2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending 09/30/2022</u>
Compensated absences	\$ <u>39,983</u>	\$ <u>32,426</u>	\$ <u>(38,590)</u>	\$ <u>33,819</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 Statements
For the Year Ended September 30, 2022

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 -.)"67(, ;)67%'1"7\$07), '60'&'0"-2, .\$.1\$%>(, -;)"67(K, -%\$0\$<'6\$0, 18, 2-3K1"7, 7:\$, "27'-.7\$, 1\$6\$<'7\$#\$60('6, #-%7, 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 Administ%-7')69!?'A+K;60, '(, %\$#)%7\$0, 7:\$, !?'A>(, -66"-2, <'6-6;'-2, (7-7\$.\$67(-60, '6, 7:\$, !'7-7\$), <=2)%'0-> annual comprehensive financial report. Financial information on this plan is available on the web at <http://www.sbafla.com/>.

FRS and HIS Contributions

J:\$, !"#%&'()%)%\$(#2)8\$%;)67%'1"7')6(, 7), 1)7:, #2-6(, totaled \$66,800 for the fiscal year ended September 30, 2022. 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, =2)%'0-1, 2'-1'2'78%\$2-7\$0, 7:\$, !"#%&'()%)%\$(#2)8\$%;)67%'1"7')6(, 7), 1)7:, #2-6(, will be reported in the financial statements of the County for fiscal year ended September 30, 2022. 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 Statements
For the Year Ended September 30, 2022

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 -F\$,)%0-7\$IJ:\$, #\$\$%,\$67-F\$&\$2\$, \$.#2)8\$\$(>,#-8%)22)67%'1"7')6,%-7\$('Q\$7\$%.'6\$0,"('6F,7:\$,<%)/\$6,\$67%8,-F\$, 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, 2022:

<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%	11.91%
Special Risk	3.00%	27.83%
State Attorney/Public Defender	3.00%	67.79%
County, City, Special District Elected Officers	3.00%	57.00%
Special Risk Administrative Support	3.00%	38.65%
Senior Management	3.00%	31.57%
Deferred Retirement Option Program	N/A	18.60%

*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, 2022, 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 Statements
For the Year Ended September 30, 2022

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, 2022, 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 a more detailed description of the plan, see the 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. One retiree met those eligibility requirements for a portion of fiscal year 2022. After June 2022, there are no eligible retirees. 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 Statements
For the Year Ended September 30, 2022

Once employees become eligible for Medicare all subsidies from the Supervisor end. Employees who were hired on or after October 13, 2009 are not eligible for post-retirement health care benefits. Expenditures for postretirement health care benefits are recognized as premiums are paid. During the year, expenditures of \$2,399 were recognized for postretirement health care.

The Statement of Net Position. Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022.

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. 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 \$39,881 during the fiscal year ended September 30, 2022, and are included as expenditures in the accompanying special-purpose financial statements. As of September 30, 2022, 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, 2022, 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 26, 2023.

Report on 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

Report on 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 26, 2023.

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 26, 2023



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, 2022, and have issued our report thereon dated January 26, 2023.

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 26, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding 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 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 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 26, 2023



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, 2022. 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 AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Supervisor complied with the aforementioned requirements in all material respects. An examination involves performing procedures to obtain evidence about the Supervisor's compliance with those requirements, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Supervisor's compliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement. Our examination does not provide a legal determination on the Supervisor's compliance with the specified requirements.

In our opinion, the Supervisor complied with the aforementioned requirements for the fiscal year ended September 30, 2022, in all material respects.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
January 26, 2023



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**MARTIN COUNTY, FLORIDA
TAX COLLECTOR**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022



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Martin County, Florida
Tax Collector
For the Year Ended September 30, 2022

CONTENTS

	PAGE
Independent Auditor's Report.....	1
Special-Purpose Balance Sheet - General Fund.....	5
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund.....	6
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund.....	7
Special-Purpose Statement of Fiduciary Net Position - Custodial Funds.....	8
Special-Purpose Statement of Changes in Fiduciary Net Position - Custodial Funds.....	9
Notes to Special-Purpose Financial Statements.....	10
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.....	18
Independent Auditor's Management Letter.....	20
Independent Accountant's Report.....	22



INDEPENDENT AUDITOR'S REPORT

To the Honorable Ruth Pietruszewski,
Tax Collector of Martin County, Florida

Report on the Audit of the Financial Statements

Opinion

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, 2022, 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.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Tax Collector as of September 30, 2022, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

To the Honorable Ruth Pietruszewski,
Tax Collector of Martin County, Florida

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tax Collector's ability to continue as a going concern for a reasonable period of time.

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

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, 2022, 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.

To the Honorable Ruth Pietruszewski,
Tax Collector of Martin County, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2023, 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, 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 15, 2023



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Martin County, Florida
Tax Collector
Special-Purpose Balance Sheet
General Fund
September 30, 2022

ASSETS

Cash and cash equivalents	\$	5,361,329
Accounts receivable		<u>27,904</u>
Total assets		<u><u>5,389,233</u></u>

LIABILITIES

Accrued wages payable	54,459
Due to Board of County Commissioners	4,807,777
Due to other governmental agencies	176,529
Deposits and other liabilities	<u>350,468</u>
Total liabilities	<u><u>5,389,233</u></u>

FUND BALANCE

Total fund balance	<u><u>-</u></u>
Total liabilities and fund balance	<u><u>\$ 5,389,233</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
General Fund
For the Year Ended September 30, 2022

REVENUES

Charges for services	\$ 11,056,276
Interest income	1,138
Miscellaneous revenues	<u>35,774</u>
Total revenues	<u><u>11,093,188</u></u>

EXPENDITURES

Current:	
General government	<u>6,285,411</u>

Excess of revenues over expenditures	<u><u>4,807,777</u></u>

OTHER FINANCING USES

Transfers out	<u>(4,807,777)</u>
Total other financing uses	<u><u>(4,807,777)</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 11,108,740	\$ 11,108,740	\$ 11,056,276	\$ (52,464)
Interest income	2,000	2,000	1,138	(862)
Miscellaneous revenues	6,300	6,300	35,774	29,474
Total revenues	<u>11,117,040</u>	<u>11,117,040</u>	<u>11,093,188</u>	<u>(23,852)</u>
EXPENDITURES				
Current:				
General government	6,921,392	7,095,343	6,285,411	809,932
Capital outlay	41,700	133,493	-	133,493
Total expenditures	<u>6,963,092</u>	<u>7,228,836</u>	<u>6,285,411</u>	<u>943,425</u>
Excess of revenues over expenditures	<u>4,153,948</u>	<u>3,888,204</u>	<u>4,807,777</u>	<u>919,573</u>
OTHER FINANCING USES				
Transfers out	<u>(4,153,948)</u>	<u>(3,888,204)</u>	<u>(4,807,777)</u>	<u>(919,573)</u>
Net change in fund balance	-	-	-	<u>\$ -</u>
Fund balance - beginning	-	-	-	
Fund balance - 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
Tax Collector
Special-Purpose Statement of Fiduciary Net Position
Custodial Fund
September 30, 2022

ASSETS

Cash and cash equivalents	\$ 4,892,805
Accounts receivable	331,599
Total assets	<u>5,224,404</u>

LIABILITIES

Installment tax escrow	3,670,491
Due to other governmental agencies	1,553,913
Total liabilities	<u>5,224,404</u>

NET POSITION

Net position	-
Total net position	<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 Fund
For the Year Ended September 30, 2022

ADDITIONS:

Tax collections for Martin County Board of County Commissioners	\$ 253,663,937
Tax collections for other governments	236,040,855
Miscellaneous	<u>1,722,536</u>
Total additions	<u>491,427,328</u>

DEDUCTIONS:

Payments to Martin County Board of County Commissioners	253,663,937
Payments to other governments	236,040,855
Miscellaneous	<u>1,722,536</u>
Total deductions	<u>491,427,328</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, 2022

Note 1 - Summary of Significant Accounting Policies

The significant accounting policies followed by the Tax Collector of Martin County; !"#\$\$%&'()*+,-&./:;+0)"#12' are summarized below:

A. General Information

Martin County ()*+/, "34)512' \$6&7"!(\$)\$0&838%\$9\$6\$ "4')*+;)&)+":' !"#\$\$%&<*+/"34)5' "7+#&)+&6&4"4-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 !"#\$\$%&<"+-&./:;+0)"#6special-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)*+>"9+#4?+4)&!'@00"34)\$4A)&4%&#%B6"&#%=6' (>@;B12' /"%\$:\$0&)\$ "4'CDEEF+:\$4\$4A)*+' \$4&40\$&G+7"#)\$4A14)\$5<1'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=667+0\$&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-!\$%+":\$4&40\$&G)&)+?+4)6F+!&)+%\$60!"63#+"6F' ?&4&A+?+4)=6' 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, 2022, 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 7#\$40\$7!+&+4+#&!\$500+7)+\$4)*+K4\$)+%G)&)+6":' @?+#\$0&>@L12&77!\$0&8)"A"9+#4?+4)6&6+6)&8!\$6*+% 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 MThis fund #+7#+6+4)6)*-&./:;+0)"#6'?&N"#34%&4% 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, 2022

Fiduciary Fund

Custodial Fund M 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. -*+' -&.' /"!!+0)"#=#6?&N"#6"3#0+*:' #+9+43+&#t++6+&#4d 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 ":' /"34)5' /"??\$66\$ "4+#6' ()*+',B"&#%12@:)+#)*+':\$4&177#"9&!!")*+'83%A+\$5')*+'F+7&#)?+4)J)*+#+&#4" 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, 2022

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.

wide financial statements all capital assets with a cost of \$5,000 or greater and an estimated life of more than one year are capitalized and recorded at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at their estimated fair market value on the date donated. No depreciation has been provided on capital assets in these special-purpose financial statements, however, depreciation expense is recorded in the government-wide financial statements of the County.

H. Compensated Absences

It is the policy of the Tax Collector to permit employees to accumulate a limited amount of earned but unused vacation benefits and sick leave, which will be paid to employees upon separation from service. The liability for compensated absences is not reported in the special-purpose financial statements, but rather is reported in the government-wide financial statements of the County.

I. Use of Estimates

The preparation of special-purpose financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the special-purpose financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

J. Transfers out

In accordance with Florida Statutes, all revenues and transfers from the Board in excess of expenditures as of year-end are owed on a prorata basis to the Board and other governments who pay the fees in the same proportion as the total fees earned by the Tax Collector. These unused fees are reported as a transfer out in the accompanying Special-Purpose Statement of Revenues and Expenditures and Changes in Fund Balance for the portion owed to the Board. Excess fees payable to other governments are recorded as a reduction of charges for services revenue and due to other governmental agencies in the general fund. Unused fees transferred out and due to the Board were \$4,807,777 as of September 30, 2022.

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2022

Note 2 - Cash and Cash Equivalents and Investments

Cash and cash equivalents

Cash and cash equivalents consist of demand deposits of \$10,243,734 and petty cash of \$10,400. 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 , Act1). K4%+*\$(0)J!"#\$%&=#\$+:' \$4&40\$&!' 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, 2022, was \$10,022,195.

Note 3 - Long-Term Liabilities

Changes in long-term liabilities for the year ended September 30, 2022, are as follows:

	Beginning 10/01/2021	Additions	Reductions	Ending 09/30/2022
Compensated absences	\$ 426,869	\$ 358,657	\$ (397,060)	\$ 388,466

The long-term liabilities are not reported in the special-purpose financial statements of the Tax Collector since they are not payable from available, spendable resources. They are reported in the financial statements of the County.

Note 4 - Retirement Plan

The Tax Collector participates in the Florida Retirement System and provides retirement benefits to employees through the following plans:

Plan Descriptions

The **Florida Retirement System (FRS) Pension Plan** and the **Retiree Health Insurance Subsidy (HIS) Program** are cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement. The FRS Pension Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. These benefits are established by Chapter 121, Florida Statutes, and may only be amended by the Florida legislature.

The HIS Program benefit is a monthly payment to assist retirees of the State-administered retirement systems in paying their health insurance costs. The HIS Program was established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time.

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>).

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2022

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 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 an 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 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. For both plans will be reported in the financial statements of the County for fiscal year ended September 30, 2022. 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

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2022

taken any time after vesting. However, there is a 5% reduction of benefits for each year prior to normal retirement &A+""#%&)+*+' 7+#0+4)&A+9+!":'+?7!"5++6='7&5#"!0"4)#\$83)\$"#4&)+6'\$6'+)+#?'\$4+%36\$4A')*+':#"P+4'+4)#5'&A+' 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, 2022:

<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%	11.91%
Special Risk	3.00%	27.83%
State Attorney/Public Defender	3.00%	67.79%
County, City, Special District Elected Officers	3.00%	57.00%
Special Risk Administrative Support	3.00%	38.65%
Senior Management	3.00%	31.57%
Deferred Retirement Option Program	N/A	18.60%

*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, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 per month and a maximum HIS payment of \$150 per month. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2022

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, 2022, 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.

"# ?"#+' %)&\$!+&A:"#?&)"\$"4"4')*+6+'7!&46J7!+&6##+:+#)")*+'G+)\$#+?+4)Q")+ '\$4')*+'/'34)5=6' 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 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 \$87,046 were recognized for postretirement health care.

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2022

The Tax Collector's Statement of Net Position. 3#)*+#\$4:"#?&)"\$4&8"3)RLHB'\$6&9&\$!&8\$4)*+/"34)5=6' Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022.

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, I"#S+#6='0"?7+46&)"\$4J&4%738!\$0'+?7!"5++' 8"4%' &4%0"?7#+*+46\$9+'0#\$?+' !"66' \$6'0"9+#+%)*)#"3A*!&' 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 \$824,956 during the fiscal year ended September 30, 2022 and are included as expenditures in the accompanying special-purpose financial statements. As of September 30, 2022, there have been no special assessments. Settlements have not exceeded coverage for each of the past three fiscal years.



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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, 2022, 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 15, 2023.

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 15, 2023.

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 15, 2023



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, 2022, and have issued our report thereon dated February 15, 2023.

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 15, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

To the Honorable Ruth Pietruszewski,
Tax Collector of Martin County, Florida

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

MSL, P.A.

Certified Public Accountants

Orlando, Florida
February 15, 2023



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, 2022. 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 AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Tax Collector complied with the aforementioned requirements in all material respects. An examination involves performing procedures to obtain evidence about the Tax Collector's compliance with those requirements, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Tax Collector's compliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement. Our examination does not provide a legal determination on the Tax Collector's compliance with the specified requirements.

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
February 15, 2023

**MARTIN COUNTY, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022



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Martin County, Florida
Community Redevelopment Agency
For the Year Ended September 30, 2022

CONTENTS

	PAGE
Independent Auditor's Report.....	26
Management's Discussion and Analysis.....	29
Governmental Fund Balance Sheet - Governmental Activities.....	34
Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance - Governmental Activities..	35
Statement of Governmental Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	36
Notes to Financial Statements.....	37
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.....	45
Independent Auditor's Management Letter.....	47
Independent Accountant's Report.....	50



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying governmental activities and General Fund of the Martin County Community Redevelopment Agency (the "CRA"), a component unit of Martin County, Florida as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements, as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the CRA, as of September 30, 2022, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRA's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRA's ability to continue as a going concern for a reasonable period of time.

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

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

INDEPENDENT AUDITOR'S REPORT
(Concluded)

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 9, 2023, 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 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 CRA's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 9, 2023

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!"# \$%&%'()*+,-(." /,%.(0"1# 2+)+*2")-31# %,".("# +)0# +)+&41(1%\$5+,-()# 6%7)-4# 6%227)(-4# Redevelopment Agency (CRA) for the fiscal year ended September 30, 2022. 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 2022, the CRA's net position was \$23.094 million. Of this amount, \$13.342 million, or 57.8%, is net investment in capital assets, and \$9.751 million is unrestricted net position.
- At the beginning of fiscal year 2022, the CRA's net position was \$19.703 million; over the course of the year it increased by \$3.391 million, resulting in an ending net position of \$23.094 million.
- During the fiscal year, total assets increased by \$3.230 million, reflecting an increase of \$2.685 million in capital assets and an increase of \$0.545 million in other assets.
- Total liabilities decreased \$0.160 million, all current.

Overview of the Financial Statements

This discussion and analysis is intended to serve as a supplement to the CRA's 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 the CRA's financial position, and in making short-term financing decisions. 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 financial position and the CRA's ability to meet its long-term financing decisions.

Government-wide Financial Statements

The government-wide financial statements are prepared on 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 CRA'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 DBudget to Actual is provided.

Government-wide Financial Analysis

As noted earlier, net position viewed over time may serve as an indicator of the government's financial health. At the close of fiscal year 2022, net position exceeded liabilities by \$23.094 million.

Martin County CRA's Net Position as of September 30

	2022	2021
Assets		
Current and other assets	\$ 10,610,845	\$ 10,065,770
Capital assets, net	13,342,447	10,657,142
Total assets	23,953,292	20,722,912
Liabilities		
Current liabilities	859,117	1,019,414
Net position		
Net investments in capital assets	13,342,447	10,657,142
Unrestricted	9,751,728	9,046,356
Total net position	\$ 23,094,175	\$ 19,703,498

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

- During the fiscal year, current and other assets increased \$0.545 million, or 5.4%, from increases in Capital Assets. Capital assets increased \$2.685 million, or 25.2%, related to completed projects such as Golden Gate Resurfacing, Port Salerno Improvements, and Rio Sidewalks. Construction in progress increased as a result of ongoing projects including Mapp Town Center Phase II, Rio Infrastructure improvements, and Port Salerno Watermain Project.
- Liabilities decreased \$0.160 million during fiscal year 2022. This slight decrease includes a decrease of \$0.242 million in accounts payable offset by an increase of \$0.093 million in retainage.
- The net effect of these year-over-year changes is a \$3.391 million increase in net position.

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

	<u>2022</u>	<u>2021</u>
Revenue		
Operating grants and contributions, economic environment	\$ 5,101,838	\$ 4,464,845
Capital grants and contributions, economic environment	-	28,385
Interest	66,048	37,995
Net change in fair value of investments	(61,858)	-
Total revenues	<u>5,106,028</u>	<u>4,531,225</u>
Expenses		
Economic Environment	<u>1,715,351</u>	<u>1,506,195</u>
Change in net position	3,390,677	3,025,030
Net position - beginning	<u>19,703,498</u>	<u>16,678,468</u>
Net position - ending	<u><u>\$ 23,094,175</u></u>	<u><u>\$ 19,703,498</u></u>

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

- Operating grants and contributions increased \$0.637 million, or 14.3%, due to increased property values that generate tax increment financing (TIF).
- Interest, including net change in fair value of investments, decreased \$0.034 million because of year-to-year market fluctuations in interest rates, and capital contributions decreased by \$0.028 million due to a previous year donation.
- Current expenses increased \$0.209 million, or 13.9%, including an increase to depreciation of \$0.050 million. These are normal fluctuations as various project areas start and finish activity. Depreciation activity increases as assets are completed and put into service.

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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 all "11() *#!"#6%7)-431\$(+)<() *#,"E7(",2")-1?#F)# /+,-(<7&+,8)#+11(*)"0#7)0#++&+)<2#4#1",."#+1#71"\$7&2#+17,"#%\$##%.",)2")-31#)"-#,"1%7,<"1#.+(&+=&%,# spending at the end of the fiscal year.

As of September 30, 20228#."#69:31# governmental funds reported an ending fund balance of \$9.752 million. Of this total, \$9.715 million is designated as committed and the remaining \$0.036 million is assigned. The assigned portion is related to land held for resale.

The excess of \$0.705 million in revenues over expenditures is related to revenues increasing. This compares to last \$(1<+&#,31# deficiency of \$3.080 million. Revenues increased by \$0.575 million while expenditures decreased by \$3.211 million year over year (\$3.370 million in capital outlay), contributing to the increase in net change in fund =+&+)<"?# !"69:31#1!+,"#%\$#&%<+&#()-",*%.",)2")-+&#,".")7"#()<,"+630#mGn.

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 DBudget and Actual.

The CRA final budget increase of \$8.940 million was primarily due to an \$8.556 million increase to the capital outlay budget, but the increase was not used. The most significant changes in original budget to final budget are related to capital outlay for ongoing projects in Hobe Sound (\$1.78 million), Rio (\$2.08 million), and Port Salerno (\$2.36 million).

Capital Assets and Debt Administration

As of September 30, 2022, the CRA has invested \$13.342 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

	2022	2021
Land and land use rights	\$ 1,853,422	\$ 1,763,455
Land improvements	362,436	362,436
Buildings	338,609	338,609
Machinery and equipment	69,154	57,354
Infrastructure	2,520,518	1,573,366
Construction in progress	9,163,242	7,342,524
Less: accumulated depreciation	(964,934)	(780,602)
Total	<u>\$ 13,342,447</u>	<u>\$ 10,657,142</u>

Major capital additions in fiscal year 2022 include \$1.820 million in CIP infrastructure including Mapp Road Town Center (\$0.623 million), Salerno Water Main (\$0.773 million), Rio Main Extension (\$0.368 million), and Rio Septic to Sewer (\$0.122 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, 2022

	<u>General Fund</u>	<u>Adjustments (Note #2)</u>	<u>Governmental Activities</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,222,277	\$ -	\$ 1,222,277
Investments	9,352,268	-	9,352,268
Assets held for resale or donation	36,300	-	36,300
Noncurrent assets			
Capital assets not being depreciated	-	11,016,664	11,016,664
Capital assets, net of depreciation	-	2,325,783	2,325,783
Total assets	<u><u>\$ 10,610,845</u></u>	<u><u>13,342,447</u></u>	<u><u>23,953,292</u></u>
LIABILITIES			
Current liabilities			
Accounts payable	496,453	-	496,453
Accrued wages payable	9,291	-	9,291
Contracts payable - retainage	353,373	-	353,373
Total liabilities	<u><u>859,117</u></u>	<u><u>-</u></u>	<u><u>859,117</u></u>
FUND BALANCE			
Assigned to other assigned purposes	36,300	(36,300)	-
Committed to ordinance/CRA	9,715,428	(9,715,428)	-
Total fund balance	<u><u>9,751,728</u></u>	<u><u>(9,751,728)</u></u>	<u><u>-</u></u>
Total liabilities and fund balance	<u><u>\$ 10,610,845</u></u>		
NET POSITION			
Net investment in capital assets		13,342,447	13,342,447
Unrestricted		9,751,728	9,751,728
Total net position		<u><u>\$ 23,094,175</u></u>	<u><u>\$ 23,094,175</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, 2022

	<u>General Fund</u>	<u>Adjustments (Note #2)</u>	<u>Governmental Activities</u>
REVENUES / PROGRAM REVENUES			
Intergovernmental revenues	\$ 5,101,838	\$ (5,101,838)	\$ -
Operating grants and contributions - economic environment	-	5,101,838	5,101,838
Interest income	66,048	-	66,048
Net change in fair value of investments	(61,858)	-	(61,858)
Total revenues / program revenues	<u>5,106,028</u>	<u>-</u>	<u>5,106,028</u>
EXPENDITURES / EXPENSES			
Current:			
Economic environment	1,531,019	184,332	1,715,351
Capital outlay	2,869,637	(2,869,637)	-
Total expenditures / expenses	<u>4,400,656</u>	<u>(2,685,305)</u>	<u>1,715,351</u>
Excess of revenues over expenditures	<u>705,372</u>	<u>2,685,305</u>	<u>3,390,677</u>
Net change in fund balance / net position	705,372	2,685,305	3,390,677
Fund balance / net position - beginning	<u>9,046,356</u>	<u>10,657,142</u>	<u>19,703,498</u>
Fund balance / net position - ending	<u>\$ 9,751,728</u>	<u>\$ 13,342,447</u>	<u>\$ 23,094,175</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, 2022

	Budgeted Amounts		Actual	Actual
	Original	Final	Amounts	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ 5,214,487	\$ 5,101,838	\$ 5,101,838	\$ -
Interest income	-	-	66,048	66,048
Net change in fair value of investments	-	-	(61,858)	(61,858)
Total revenues	<u>5,214,487</u>	<u>5,101,838</u>	<u>5,106,028</u>	<u>4,190</u>
EXPENDITURES				
Current:				
Economic environment	1,386,739	1,770,739	1,531,019	239,720
Capital outlay	<u>3,816,518</u>	<u>12,372,709</u>	<u>2,869,637</u>	<u>9,503,072</u>
Total expenditures	<u>5,203,257</u>	<u>14,143,448</u>	<u>4,400,656</u>	<u>9,742,792</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,230</u>	<u>(9,041,610)</u>	<u>705,372</u>	<u>9,746,982</u>
Reserves	<u>(11,230)</u>	<u>(1,230)</u>	<u>-</u>	<u>1,230</u>
Net change in fund balances	<u>-</u>	<u>(9,042,840)</u>	<u>705,372</u>	<u>\$ 9,748,212</u>
Fund balances - beginning	<u>-</u>	<u>9,042,840</u>	<u>9,046,356</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,751,728</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, 2022

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 2022 Vision Plan for a Sustainable Martin County (the "Vision Plan"). The CRA is being reported as a nonmajor governmental fund for fiscal year 2022 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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022:

Fund Balance	\$ 9,751,728
Add Capital Assets, net of accumulated depreciation as they are not financial resources and are therefore not reported in the funds	13,342,447
Net Position	<u>\$ 23,094,175</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, 2022:

Net change in fund balance	\$ 705,372
Less current year depreciation on capital assets as the Governmental Fund Statements record an expenditure at the time of purchase	(184,332)
Plus capital outlay recorded in fund level statements	2,869,637
Plus capital contribution	-
Change in net position	<u>\$ 3,390,677</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 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. As of September 30, 2022, the CRA had \$150,897 cash and cash equivalents.

Martin County, Florida
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2022

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, 2022.

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	\$ 1,222,277
Investments	<u>9,352,268</u>
	<u>\$ 10,574,545</u>

As of September 30, 2022, 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, 2022

Note 4 – Capital Assets

Capital asset activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,745,159	\$ 89,967	\$ -	\$ 1,835,126
Land use rights - permanent	18,296	-	-	18,296
Construction in progress	7,342,524	2,780,270	(959,552)	9,163,242
Total capital assets not being depreciated	9,105,979	2,870,237	(959,552)	11,016,664
Capital assets being depreciated:				
Buildings and improvements	338,609	-	-	338,609
Equipment and other assets	57,354	11,800	-	69,154
Land improvements	362,436	-	-	362,436
Infrastructure	1,573,366	947,152	-	2,520,518
Total capital assets being depreciated	2,331,765	958,952	-	3,290,717
Less accumulated depreciation for:				
Buildings and improvements	(169,216)	(16,020)	-	(185,236)
Equipment and other assets	(16,657)	(3,957)	-	(20,614)
Land improvements	(62,125)	(29,204)	-	(91,329)
Infrastructure	(532,604)	(135,151)	-	(667,755)
Total accumulated depreciation	(780,602)	(184,332)	-	(964,934)
Total capital assets being depreciated, net	1,551,163	774,620	-	2,325,783
Governmental activities capital assets, net	\$ 10,657,142	\$ 3,644,857	\$ (959,552)	\$ 13,342,447

Depreciation expense was charged as follows:

General Government	\$ 12,888
Physical Environment	10,989
Transportation	50,234
Economic Environment	106,960
Culture & Recreation	3,261
Total Depreciation Expense	\$ 184,332



**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, 2022, and the related notes to the financial statements, which collectively comprise the CRA's financial statements and have issued our report thereon dated May 9, 2023.

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 9, 2023.

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 9, 2023



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, 2022, and have issued our report thereon dated May 9, 2023.

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 9, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding 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, 2022.

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 9, 2023



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, 2022. 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 AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied 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.

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

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2022.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 9, 2023



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