



MARTIN COUNTY, FLORIDA

ANNUAL FINANCIAL REPORT TO THE AUDITOR GENERAL



FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 30 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, 2023**



**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, 2023

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CONSTITUTIONAL OFFICERS

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

Clerk of the Circuit Court
Property Appraiser
Sheriff
Supervisor of Elections
Tax Collector

COMMUNITY REDEVELOPMENT AGENCY

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

INTRODUCTORY SECTION



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

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

June 13, 2024

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, 2023

Dear Ladies and Gentlemen:

The Annual Comprehensive Financial Report for Martin County, Florida, for the fiscal year ended September 30, 2023, 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, 2023, 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 2023 population is estimated to be 162,847. Martin County is home to 21 miles of ocean beaches and 73 parks (approximately 1,800 acres of park land). Other County facilities include 11 fire stations plus a state-of-the-art medical helicopter, 6 libraries, 12 community centers and 501 miles of county-maintained paved roads. During the past decade (2014 - 2023), 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 89.98%. The unemployment rate for the County increased to 3.2% in 2023 from 2.4% in 2022, compared to 3.6% nationally, while Florida's unemployment rate was 3.0%.

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 2023, efforts continued

to address the County's infrastructure construction and maintenance backlog. The county anticipates the cost of goods and services to rise based on the current inflation rate.

The County's total weighted average millage rate adopted for Fiscal Year 2023 (FY23) decreased 3% to 10.0446. The decrease in millage results in approximately \$90.32 less in taxes paid by the average single-family homeowner using a \$300,00 net assessed value. The Property Appraiser certified property values with a total tax base of \$28.1 billion, a 12.07% increase from the prior year. The single-family median market value increased from \$287,675 in the prior year to \$300,000. 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 FY23 is \$558,976,778, which is an increase of \$32,485,856, or 6.17%, over the FY22 budget. This net increase includes a \$19 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:

- 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.
- ECertify is a new software tool that simplifies the process of obtaining certified copies of court and recorded documents. Now, instead of dealing with paper copies, customers can conveniently request electronic certified copies. This can be done through the Martin County Clerk website or in person at the courthouse and branch locations.
- The Martin County Clerk of the Circuit Court and Comptroller is dedicated to ensuring the security and integrity of its data. As part of this commitment, the office is continuously enhancing its cybersecurity posture through a combination of technology upgrades, employee training, and security protocols. Efforts include vulnerability assessments, implementation of multi-factor authentication, data encryption, and active monitoring to detect and respond to potential threats. By adopting best practices in cybersecurity, the Clerk's office aims to safeguard sensitive information and maintain the trust and confidence of the public it serves.

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 FY23 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:

- Fire Rescue Training Facility – The facility will provide more realistic training situations for employees which includes a burn building and training classrooms. The total cost is \$13.6 million, \$3.7 million spent in FY23.

- 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 \$24.6 million of which \$22.4 million is funded by grants.
- MSCO Firearms Training Facility - This project is to relocate the gun range due to the Newfield development project. The total cost is \$10.5 million to be funded by ad valorem taxes.
- 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 \$15 million. The project will be funded by Tax Increment Financing (TIF) funds.
- 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 \$16.6 million. The project will be funded by Tax Increment Financing (TIF) funds.
- Port Salerno CRA Improvements – This project includes infrastructure improvements for parking and roadways. The total remaining project costs are \$16.2 million and will be funded by Tax Increment Financing (TIF) funds.
- Bathtub Beach – This project to protect upland infrastructure covering approximately 1 mile of beach line. The cost is \$26 million to be funded \$6.2 million ad valorem taxes, \$7.9 million in grants, \$11.4 million in private contributions, and \$1.1 million of MSTU funds.
- Martin Highway Widening – This project is to widen Martin Highway to a four-lane divided highway. The cost is \$23 million to be funded by state grants.

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, 2022. This was the thirtieth 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 2022. 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 2022. 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,

A handwritten signature in blue ink, reading "Carolyn Timmann". The signature is fluid and cursive, with a large initial "C" and a stylized "T".

Carolyn Timmann
Clerk of the Circuit Court and Comptroller

CBT/jr

**MARTIN COUNTY, FLORIDA
ELECTED OFFICIALS
AS OF SEPTEMBER 30, 2023**

BOARD OF COUNTY COMMISSIONERS

EDWARD CIAMPI
County Commissioner
District #5
Chairman

DOUG SMITH
County Commissioner
District #1

HAROLD JENKINS
County Commissioner
District #3

STACEY HETHERINGTON
County Commissioner
District #2

SARAH HEARD
County Commissioner
District #4

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, 2022

A handwritten signature in black ink that reads "Christopher P. Morrell". The signature is written in a cursive style with a large 'C' and 'M'.

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, 2023, 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, 2023, 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.

Honorable Board of County Commissioners
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 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 Note 6 to the financial statements, in the fiscal year ended September 30, 2023, the County adopted the provisions of Government Accounting Standards Board Statement ("GASBS") Number 96, *Subscription-Based Information Technology Arrangements*. 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 June 13, 2024, 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
June 13, 2024

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, 2023. 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 2023, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$972.376 million. Of this amount, \$947.456 million, or 97.44%, is net investment in capital assets. An additional portion of the County's net position, \$112.885 million, or 11.61%, represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$87.965 million, or (9.05)%. Overall, the County experienced an increase in net position of \$56.996 million from the prior year net position of \$915.380 million.
- During the fiscal year, the total assets and deferred outflows increased by \$64.317 million. Total assets increased by \$67.814 million while deferred outflows decreased by \$3.497 million (a decrease of \$0.522 million of deferred outflows for pensions, a decrease of \$2.445 million of deferred outflows for other post employment benefits (OPEB), and a decrease of \$0.530 million of deferred outflows for loss on refunding debt).
- Total liabilities decreased \$26.616 million, the change in deferred inflows for pensions has decreased by \$3.373 million, and the change in deferred inflows for OPEB increased \$36.881 million. As a result, the net change in total liabilities and deferred inflows increased during the year by \$7.320 million.
- The County's governmental funds had a fund balance of \$291.526 million compared to last year's fund balance of \$231.959 million, an increase in governmental fund balance of \$59.567 million.
- At the beginning of the 2023 fiscal year, the fund balance for the County's general fund was \$67.857 million. Over the course of the year it increased by \$10.788 million resulting in an ending fund balance of \$78.645 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, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. 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 2023, the County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$972.376 million. Of the total net position, \$621.047 million can be attributed to governmental activities and \$351.329 million to business-type activities.

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

	2023	2022	2023	2022	2023	2022
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Government-wide Total	Government-wide Total
Current and other assets	\$ 364,244	\$ 328,699	\$ 129,957	\$ 121,816	\$ 494,201	\$ 450,515
Capital assets and right of use, net	780,477	758,785	307,436	305,000	1,087,913	1,063,785
Total assets	1,144,721	1,087,484	437,393	426,816	1,582,114	1,514,300
Deferred outflows of resources	80,304	83,231	5,138	5,708	85,442	88,939
Current and other liabilities	60,938	68,769	19,390	19,821	80,328	88,590
Long-term liabilities outstanding	472,360	487,743	69,472	72,443	541,832	560,186
Total liabilities	533,298	556,512	88,862	92,264	622,160	648,776
Pension	10,674	13,935	320	432	10,994	14,367
Other postemployment benefits	59,066	22,827	1,137	495	60,203	23,322
Leases	939	287	882	1,106	1,821	1,393
Deferred inflows of resources	70,679	37,049	2,339	2,033	73,018	39,082
Net position						
Investment in capital assets	694,970	674,041	252,486	251,804	947,456	925,845
Restricted	86,176	79,184	26,709	27,964	112,885	107,148
Unrestricted (deficit)	(160,099)	(176,071)	72,134	58,458	(87,965)	(117,613)
Total net position	\$ 621,047	\$ 577,154	\$ 351,329	\$ 338,226	\$ 972,376	\$ 915,380

The largest portion of the County's net position, \$947.456 million, or 97.44%, 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, \$112.885 million, or 11.61%, represents resources that are subject to restrictions on how they may be used. The remaining balance in unrestricted net position is a deficit of \$87.965 million, primarily due to OPEB and pension liabilities. The unrestricted net position for governmental activities has a deficit balance of \$160.099 million, primarily due to OPEB and pension liabilities. The County's overall net position increased by \$56.996 million or 6.23%.

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

- During the fiscal year, current and other assets increased by \$43.686 million mostly due to an increase in cash and investments of \$51.861 million resulting from a \$20.973 million increase in tax collections and a \$13.364 million increase in investment earnings.
- Total capital assets net of depreciation increased \$24.128 million primarily due to an increase in building improvements, equipment acquisition, water quality and drainage improvements, and infrastructure assets related to roadway resurfacing and signalization projects completed over the course of the year.
- Total liabilities decreased \$26.616 million from prior year balances primarily as a result of a \$42.990 million decrease in the OPEB liability that resulted from the discount rate change of 2.19% to 4.40%. Other items affecting the total change are a \$38.228 million increase in the pension liability, due to actuarial adjustments based on 2022 market fluctuations; \$2.434 million of new debt issued for septic to sewer projects, \$9.532 of new long-term leases and the addition of SBITAs totaling \$2.045 million; these

amounts are offset by \$21.940 million in scheduled paydown of long term liabilities due to the payoff of outstanding revenue bonds and notes, and a \$11.651 million decrease in the amount due to federal government for American Rescue Plan (ARP) funding.

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

	2023	2022	2023	2022	2023	2022
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Government-wide Total	Government-wide Total
Revenues:						
Program revenues:						
Charges for services	\$ 65,258	\$ 54,365	\$ 77,422	\$ 72,396	\$ 142,680	\$ 126,761
Operating grants and contributions	30,288	25,006	190	657	30,478	25,663
Capital grants and contributions	19,129	23,769	14,005	18,894	33,134	42,663
General revenues:						
Property taxes	248,888	229,169	-	-	248,888	229,169
Other taxes	37,092	35,837	-	-	37,092	35,837
Contributions not restricted to specific programs	7,699	7,371	-	-	7,699	7,371
Other	22,216	4,936	7,341	3,156	29,557	8,092
Total revenues	<u>430,570</u>	<u>380,453</u>	<u>98,958</u>	<u>95,103</u>	<u>529,528</u>	<u>475,556</u>
Expenses:						
General government	102,078	85,326	-	-	102,078	85,326
Public safety	191,320	158,137	-	-	191,320	158,137
Physical environment	13,299	22,771	-	-	13,299	22,771
Transportation	33,905	29,413	-	-	33,905	29,413
Economic environment	5,000	4,288	-	-	5,000	4,288
Human services	10,372	10,302	-	-	10,372	10,302
Culture and recreation	26,458	22,873	-	-	26,458	22,873
Interest and fiscal charges on long-term debt	2,557	3,328	-	-	2,557	3,328
Water	-	-	25,835	21,074	25,835	21,074
Sewer	-	-	21,136	17,241	21,136	17,241
Solid waste	-	-	32,952	29,495	32,952	29,495
Airport	-	-	4,712	4,406	4,712	4,406
Golf Course	-	-	2,908	2,113	2,908	2,113
Total expenses	<u>384,989</u>	<u>336,438</u>	<u>87,543</u>	<u>74,329</u>	<u>472,532</u>	<u>410,767</u>
Change in net position before transfers	45,581	44,015	11,415	20,774	56,996	64,789
Transfers	<u>(1,687)</u>	<u>53</u>	<u>1,687</u>	<u>(53)</u>	<u>-</u>	<u>-</u>
Change in net position	43,894	44,068	13,102	20,721	56,996	64,789
Net position-beginning	<u>577,154</u>	<u>533,086</u>	<u>338,226</u>	<u>317,504</u>	<u>915,380</u>	<u>850,590</u>
Net position-ending	<u>\$ 621,048</u>	<u>\$ 577,154</u>	<u>\$ 351,328</u>	<u>\$ 338,225</u>	<u>\$ 972,376</u>	<u>\$ 915,379</u>

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

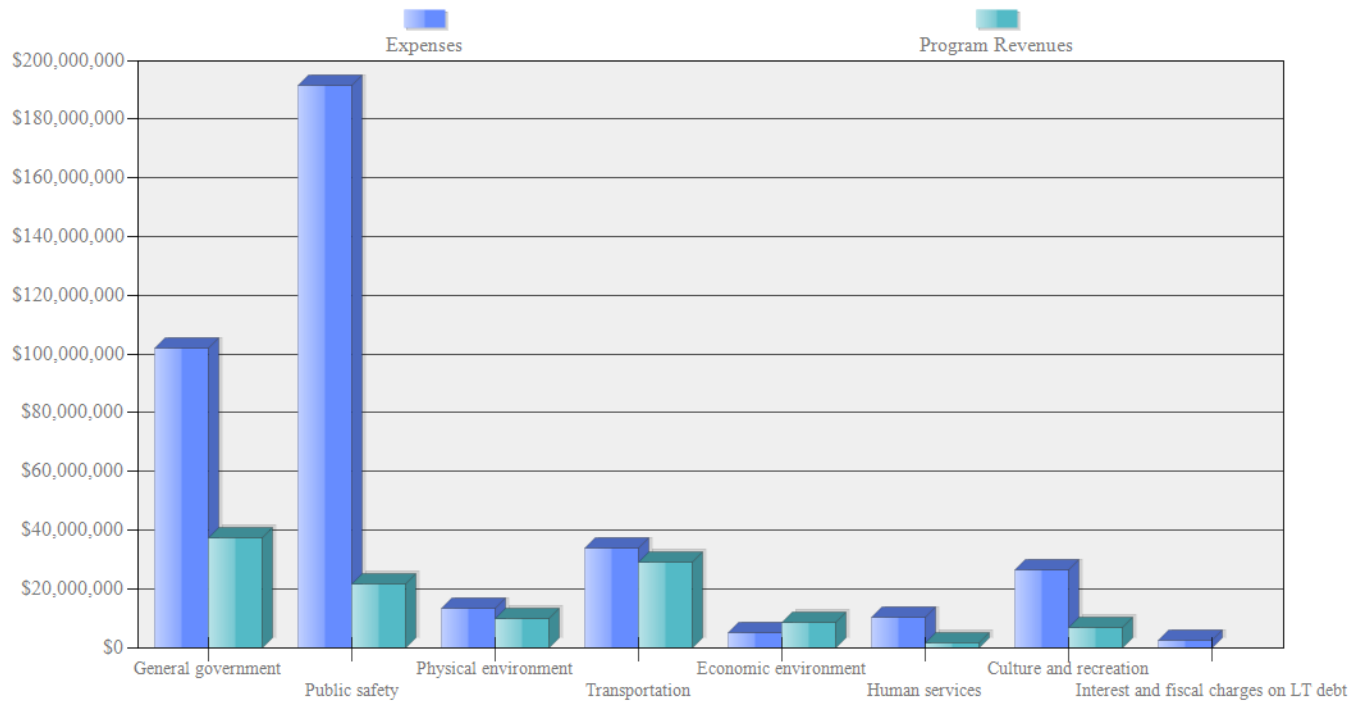
Governmental Activities:

- Charges for services increased \$10.893 million, or 20.04%. Primary increases in charges for services were \$4.304 million in general government, \$4.282 million in transportation and \$1.716 million in public safety. General government increases were due to \$1.9 million for building permits, \$.158 million for impact fees and \$.755 million recognized by the Tax Collector as general revenue. The increase in transportation was attributable to a \$3.262 million increase in impact fees and a \$1.432 million increase in franchise fees; and the public safety increase was \$.600 million in ambulance fees, \$.300 million for

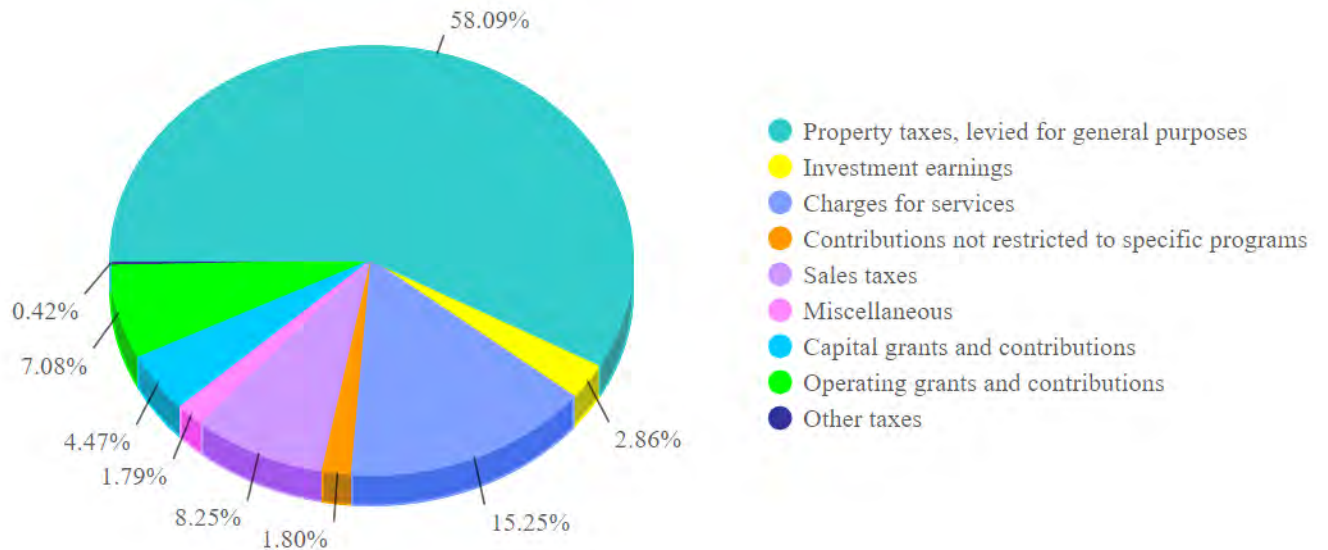
school resource reimbursements, and \$.605 million for off duty reimbursements.

- Operating grants and contributions increased \$5.282 million, or 21.12%, due to various grants in the prior year, mainly attributable to an increase of \$7.155 million revenue recognized for ARP Covid-19 State & Local Fiscal Recovery funding. This amount is offset by a decrease in amounts received in previous years for coastal management and beach renourishment related amounts.
- Capital grants and contributions decreased \$4.640 million, or 19.52%, due to prior year grant funds such as a \$2.4 million grant to purchase land in the Hobe Heights neighborhood for flood mitigation, and a \$3.131 million for a grant to fund transportation projects.
- Property taxes increased by \$19.719 million, or 8.60%, due to increased taxable property valuation. The total Countywide average millage rate, which includes regional millage rates, decreased from 10.3538 in fiscal year 2022 to 10.0446 in 2023. The taxable property valuation increased 12.07% from last year's property valuation.
- Other revenues increased \$17.280 million, or 350.08%. Miscellaneous revenues saw a \$1.864 million increase due to \$0.874 million of insurance reimbursements and \$0.950 million received for the sale of land that previously held Fire Station #33. Investment earnings were up \$10.211 million year-to-year, as well as, an unrealized increase of \$5.204 million in fair value of investments due to market fluctuations in 2023.
- General government expenses increased by \$16.752 million, or 19.63% as costs continue to rise in the current economy. Of this, \$4.059 million was due to the increase in the net pension liability; \$3.812 million was due to capital asset deletions, depreciation and amortization; \$.913 million was due to an increase in insurance costs; \$1.184 million in CRA distributions that are based on increased taxable values; \$.579 million for Tropical Storm Nicole expenses in 2023; and \$1.5 million in 2023 to the Village of Indiantown for its water system related Looping Project.
- Public safety expenses increased by \$33.183 million, or 20.98%. \$24.527 million of this increase is also primarily from the change in the Net Pension Liability adjustment, and there was an increase of \$3.355 million in labor.
- Physical environment expenses decreased by \$9.472 million, or 41.60%, due to Bathtub Beach and St. Lucie Inlet beach renourishment projects in the previous fiscal year.
- Culture and recreation expenses increased \$3.584 million. \$.978 million of that is due to the change in the Net Pension Liability adjustment; \$1.148 million increase is due to operations at the Sailfish Splash Waterpark; \$.171 million increase at the Seaside Café; other increases in operating expenditures are \$.725 million in other contractual services and \$.369 million in mowing and landscaping services specifically.

Expenses and Program Revenues Governmental Activities



Revenues by Source Governmental Activities



Business-type Activities:

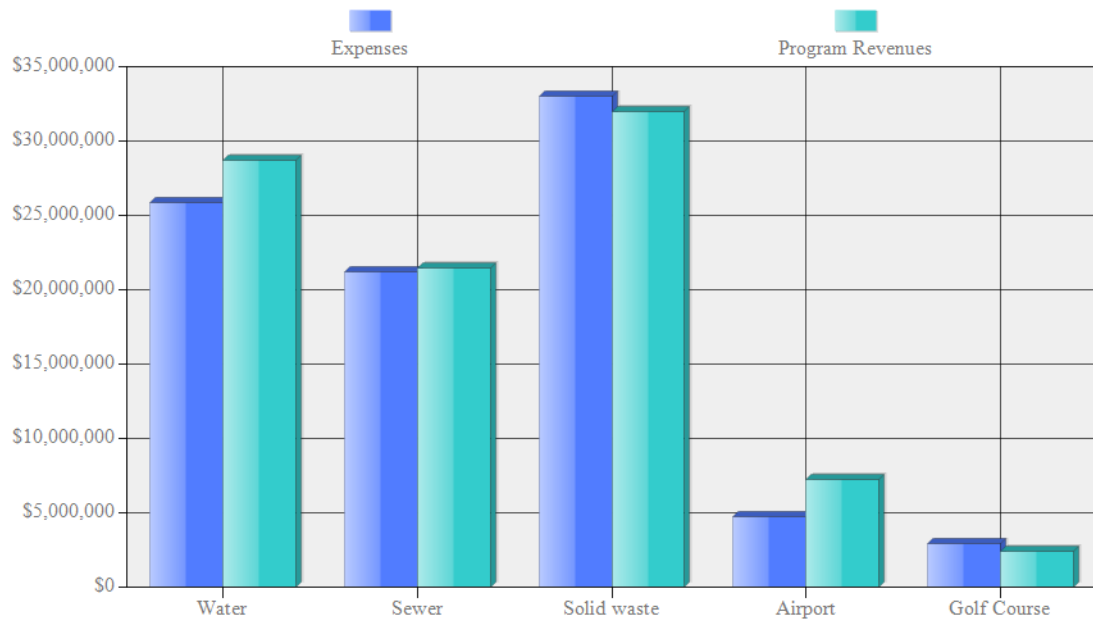
Water/Sewer Utilities:

- Total net position increased by \$9.963 million in fiscal year 2023. Net investment in capital assets for fiscal year 2023 decreased \$2.131 million, or 1.05%, compared to 2022, due to the change in long term liabilities, which is offset by an increase in depreciation for newly completed projects. Unrestricted net position increased \$13.367 million, or 30.44%, in fiscal year 2023 due to higher revenues for new septic to sewer conversions and interest earnings.
- Long-term liabilities in fiscal year 2023 decreased \$3.799 million, or 5.61%, due to an additional State Revolving Fund Loan for the Golden Gate project increase of \$2.434 million and a decrease of \$5.774 million for regular scheduled payments.
- Total operating revenues reflect a 2.57% increase of \$1.062 million in fiscal year 2023 compared to 2022, due to ongoing additional connections and sewer customers added with the septic to sewer program.
- Capital grants and contributions decreased \$4.647 million in fiscal year 2023 from 2022 due to fluctuations on grant activity and needs of the county.
- Operating expenses, excluding depreciation and amortization, increased by \$3.835 million or 18.32% from fiscal year 2022. The increase was due to rising energy, material, and health costs.
- Depreciation increased \$4.810 million or 31.48% due to various completed projects

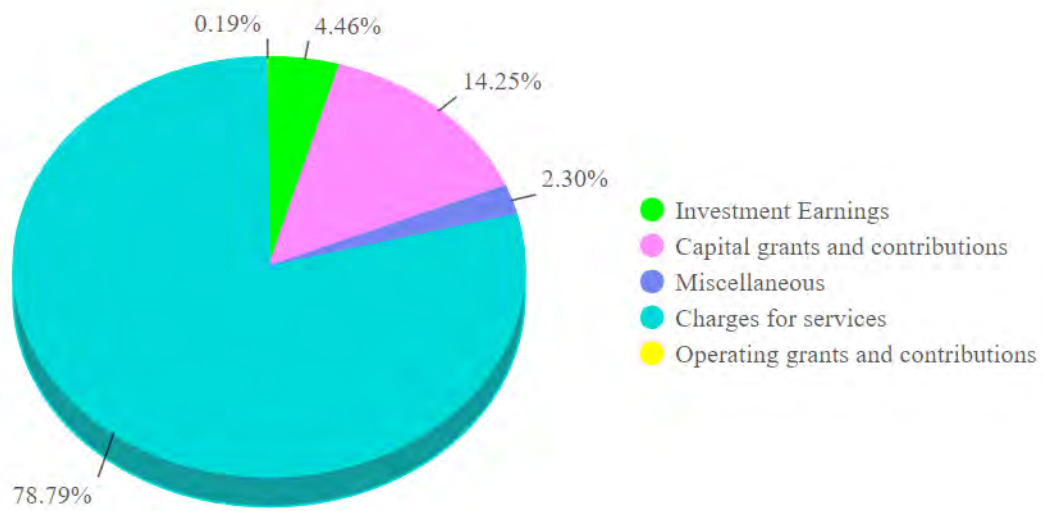
Solid Waste:

- Net position increased by \$0.393 million in fiscal year 2023. Net investment in capital assets for fiscal year 2023 reflects an increase of \$0.457 million compared to fiscal year 2022. Unrestricted net position decreased a nominal \$0.065 million to \$11.802 million. Operating levels remained fairly steady in fiscal year 2023.
- Total operating revenues reflect a \$2.604 million, or 8.88%, increase in fiscal year 2023 as compared to fiscal year 2022, due to increased charges for solid waste services.
- Operating expenses increased by \$3.400 million, or 11.96%, in fiscal year 2023 as compared to fiscal year 2022, 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, 2023, the County's governmental funds reported combined ending fund balances of \$291.526 million. Of this total, \$39.165 million, or 13.43%, constitutes unassigned fund balance. By definition, this sum is available for spending at the discretion of the County. The remainder of the fund balance is not available for new spending, since it is allocated to: 1) non-spendable reserves for inventory and permanent fund (\$2.603 million); 2) restricted funds for debt service, grants, federal and state programs, court operations, and other restricted purposes (\$78.624 million); 3) funds committed to purposes determined by the Board of County Commissioners (\$89.711 million); and 4) funds assigned to a variety of other predetermined purposes (\$81.423 million).

The general fund is the primary operating fund of the County. As of September 30, 2023, the total fund balance in this fund was \$78.645 million, while the unassigned fund balance was \$53.587 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 27.05% of total general fund expenditures, while the total fund balance represents 39.70% of that same amount.

In fiscal year 2023 the fund balance in the County's general fund increased by \$10.788 million. The fund balance increase was mostly a result of an additional \$11.710 million in tax collections. Additional tax collections were realized due to property tax increases from a 12.07% increase in property valuation over last year.

The fund balance for Consolidated Fire/EMS increased to \$11.957 million, an increase of \$2.815 million, while there was \$3.281 million general cost increases in public safety, the increase was offset by a \$4.722 million increase in Taxes; a \$1.066 million increase in interest and net change in fair value of investments, and a \$.242 million increase in miscellaneous revenues. Revenues increased by \$9.483 million over the prior year, while expenditures increased by \$7.570 million, resulting in a fund balance increase. Revenues net of expenditures produced an excess of revenues over expenditures of \$3.788 million.

The Federal Grants fund balance increased \$8.491 million. This net increase resulted primarily from an increase in intergovernmental revenues of \$7.412 million attributed to ARP Covid-19 State & Local Fiscal Recovery funding.

The Other State Grants fund balance decreased \$1.388 million. Revenues net of expenses produced a deficiency of revenues under expenditures of \$1.604 million, reducing the prior year's deficiency by \$8.706 million. Revenues increased by \$1.563 million while expenditures increased by \$7.144 million year over year, contributing to the decrease in net change in fund balance. There was a \$3.420 million increase in capital outlay for this fiscal year, for road resurfacing and stormwater projects and a \$10.563 million decrease in non-capital expenditures year-to-year, as projects for St Lucie inlet and other coastal projects were minimized in the current FY. Additionally, the prior fiscal year reported \$5.802 million as cost shares from other funds, whereas, the current fiscal year is reporting \$.215 million. The Other State Grants fund's share of local intergovernmental revenue increased \$1.557 million.

The County Buildings fund balance increase \$3.592 million to \$42.482 million, as total expenditures decreased \$7.444 million, including a capital outlay decrease of \$11.948 million related to projects for Fire Stations being completed in the prior fiscal year. This decrease is offset by the \$4.295 million increase in debt service principal payments, with the payoff of the two Motorola leases, and one of the TRANE leases. The payoff amounts were covered by transfers from the general fund, which increased \$6.632 from the prior year.

Budgetary Highlights

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

There was a \$27.243 million increase in budgeted expenditures between the FY23 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 \$10.860 million and \$1.678 million over many areas, such as salaries and outside services. The capital outlay budget increased \$14.705 million. Budgeted revenues were increased \$3.572 million primarily due to a \$2.051 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 \$2.331 million higher than the final budget. *Florida Statutes* require revenues to be budgeted at 95% of reasonably anticipated receipts. The county taxes were collected at 99.98% of the required budgeted amount.
- Actual intergovernmental revenues were \$6.402 million over the final budget, as a result of the fluid nature of multiple outside grant and revenue funding sources.
- Actual interest income and change in fair value investments were \$5.136 million higher than the final budget. This is due to market fluctuations.
- Actual general government expenditures are reporting a variance of \$12.993 million less than budgeted. \$9.349 million of that variance is the result of unfilled positions throughout the County and a \$.912 million variance in professional services budgeted. There was also a \$.371 million variance in aid to governmental agencies.
- The general fund actual capital outlay expenditures were \$3.409 million lower than the final budget due to a delay in COVID related projects.

Capital Assets and Debt Administration

As of September 30, 2023, the County's capital assets for its governmental and business-type activities amounts to \$1.088 million (net of accumulated depreciation). These capital assets include land, buildings, improvements, equipment, park facilities, roads, bridges, sidewalks, intangible assets, right of use and subscription assets. The total County capital assets for the current fiscal year increased \$24.129 million, or 2.27%; governmental activities increased \$21.692 million, and business-type activities increased \$2.437 million.

Martin County's Capital Assets
(in thousands)

	2023	2022	2023	2022	2023	2022
	Governmental	Governmental	Business-type	Business-type	Government-wide	Government-wide
	Activities	Activities	Activities	Activities	Total	Total
Land and land use rights	\$ 232,203	\$ 228,477	\$ 17,657	\$ 17,557	\$ 249,860	\$ 246,034
Land improvements	79,738	69,211	52,377	51,423	132,115	120,634
Buildings and systems	244,209	219,397	170,662	168,051	414,871	387,448
Machinery and equipment	154,495	150,442	338,608	312,278	493,103	462,720
Infrastructure	683,678	630,217	-	-	683,678	630,217
Construction in progress	61,145	107,359	12,326	16,342	73,471	123,701
Other improvements and intangible assets	20,142	19,617	9,475	9,475	29,617	29,092
Right of use assets	11,403	2,445	-	-	11,403	2,445
Subscription assets	2,295	-	-	-	2,295	-
Less: accumulated depreciation and amortization	(708,832)	(668,381)	(293,669)	(270,127)	(1,002,501)	(938,508)
Total	<u>\$ 780,476</u>	<u>\$ 758,784</u>	<u>\$ 307,436</u>	<u>\$ 304,999</u>	<u>\$ 1,087,912</u>	<u>\$ 1,063,783</u>

Major capital asset additions in the governmental funds included:

- Bridge Road Resurfacing \$ 6.7 million
- CR 707 Resurfacing \$ 6.7 million
- Murphy Bridge Replacement \$ 6.5 million
- Fire Station # 14 \$ 5.9 million
- Fire Station # 18 \$ 5.0 million
- Fire Station # 33 \$ 4.8 million
- Stuart Beach Renovation \$ 2.8 million

Major capital additions to the enterprise funds included:

- Golden Gate Septic to Sewer \$ 5.8 million
- Grinder Connect Program \$ 1.2 million
- Airport Facility Improvements \$ 3.7 million

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

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

	2023	2022	2023	2022	2023	2022
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Government-wide Total	Government-wide Total
Compensated absences	\$ 19,758	\$ 17,853	\$ 897	\$ 876	\$ 20,655	\$ 18,729
Long-term leases	9,653	1,878	-	-	9,653	1,878
Finance purchase agreements	16,877	24,692	-	-	16,877	24,692
Subscription agreements	1,488	-	-	-	1,488	-
Revenue bonds/notes	62,193	68,050	40,980	45,850	103,173	113,900
Landfill closure cost	-	-	8,100	8,150	8,100	8,150
Other long-term debt	3,541	4,207	14,285	12,725	17,826	16,932
Total	<u>\$ 113,510</u>	<u>\$ 116,680</u>	<u>\$ 64,262</u>	<u>\$ 67,601</u>	<u>\$ 177,772</u>	<u>\$ 184,281</u>

Long-term obligations: At the end of the current fiscal year, the County had total outstanding revenue notes and bonded debt in the amount of \$103.173 million. This amount represents bonds secured solely by specified revenue sources (revenue bonds).

During fiscal year ended September 30, 2023, the County's overall total long-term obligations decreased by \$6.509 million, or 3.53%. Separately, governmental total long-term obligations decreased by \$3.170 million, or 2.72%, while business-type long-term obligations decreased by \$3.339 million, or 4.94%.

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 2023 and 2022 was 4.95% and 5.54%, respectively.

The County's bond ratings as of September 30, 2023, 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 8 through 10 of the financial statements.

Economic Factors

As of July 1, 2023, the County's total taxable values equaled \$28.1 billion, a 12.07% increase as compared to \$25.1 billion in the prior year. The total County-wide average millage, which includes an average for regional MSTU rates, for 2023 is adopted at 10.0446 mills, a decrease of 2.99% from 10.3538 mills in 2022.

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, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 54,031,339	\$ 786,400	\$ 54,817,739
Restricted cash and cash equivalents	803,340	1,966,064	2,769,404
Investments	270,801,329	75,759,890	346,561,219
Restricted investments	-	6,590,594	6,590,594
Accounts and assessments receivables	3,747,259	7,113,667	10,860,926
Lease receivables, current	360,979	224,000	584,979
Interest receivable	2,499	2,849	5,348
Receivable from other governmental agencies	29,811,045	2,703,102	32,514,147
Inventories	2,034,378	2,631,253	4,665,631
Internal balances	1,279,149	(1,279,149)	-
Assets held for resale or donation	36,300	130,500	166,800
Other current assets	763,487	9,178	772,665
Total current assets	363,671,104	96,638,348	460,309,452
Noncurrent assets:			
Restricted investments	-	18,448,591	18,448,591
Restricted due from other governmental units	-	373,041	373,041
Restricted special assessment notes receivable	-	10,358,014	10,358,014
Lease receivables, less current portion	572,933	761,293	1,334,226
Total restricted assets	572,933	29,940,939	30,513,872
Special assessment notes receivable, less current portion	-	3,377,567	3,377,567
Capital assets:			
Land and land use rights - permanent	232,202,689	17,656,948	249,859,637
Land improvements	79,737,777	52,377,289	132,115,066
Buildings and improvements	244,208,784	170,662,156	414,870,940
Infrastructure	683,677,893	-	683,677,893
Equipment	154,495,557	338,607,848	493,103,405
Construction in progress	61,145,516	12,326,313	73,471,829
Intangible - goodwill	-	6,747,420	6,747,420
Intangible - land use rights - temporary	5,730,194	-	5,730,194
Intangible - software	14,411,413	2,727,324	17,138,737
Right of use buildings	1,071,367	-	1,071,367
Right of use equipment	10,332,296	-	10,332,296
Subscription assets	2,295,594	-	2,295,594
Less accumulated depreciation and amortization	(708,832,540)	(293,669,217)	(1,002,501,757)
Capital assets, net	780,476,540	307,436,081	1,087,912,621
Total noncurrent assets	781,049,473	340,754,587	1,121,804,060
Total assets	1,144,720,577	437,392,935	1,582,113,512
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding debt	301,104	2,293,703	2,594,807
Pension	58,217,059	2,221,820	60,438,879
Other postemployment benefits	21,785,730	622,373	22,408,103
Total deferred outflows of resources	80,303,893	5,137,896	85,441,789

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	13,298,154	8,546,757	21,844,911
Accrued wages payable	2,217,467	264,876	2,482,343
Contracts payable	1,272,903	-	1,272,903
Due to other governmental agencies	18,021,311	-	18,021,311
Accrued interest payable	869,474	4,820	874,294
Unearned revenue	-	411,411	411,411
Deposits and other liabilities	220,504	-	220,504
Current portion of long term obligations	18,740,663	6,862,671	25,603,334
	<u>54,640,476</u>	<u>16,090,535</u>	<u>70,731,011</u>
Payable from restricted assets:			
Deposits and other liabilities	-	1,320,597	1,320,597
Contracts payable	-	1,978,888	1,978,888
Current portion of other postemployment benefits liability	6,297,745	-	6,297,745
	<u>6,297,745</u>	<u>3,299,485</u>	<u>9,597,230</u>
Total current liabilities	<u>60,938,221</u>	<u>19,390,020</u>	<u>80,328,241</u>
Noncurrent liabilities:			
Noncurrent portion of long term obligations	94,769,383	57,399,885	152,169,268
Other postemployment benefits liability	128,932,700	2,370,101	131,302,801
Net pension liability	248,657,959	9,702,245	258,360,204
Total noncurrent liabilities	<u>472,360,042</u>	<u>69,472,231</u>	<u>541,832,273</u>
Total liabilities	<u>533,298,263</u>	<u>88,862,251</u>	<u>622,160,514</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	10,674,311	320,139	10,994,450
Other postemployment benefits	59,066,401	1,137,344	60,203,745
Leases	938,853	882,427	1,821,280
Total deferred inflows of resources	<u>70,679,565</u>	<u>2,339,910</u>	<u>73,019,475</u>
NET POSITION			
Net investment in capital assets	694,969,545	252,485,760	947,455,305
Restricted:			
Permanent fund - nonexpendable	22,819	-	22,819
Recreation projects	6,018,684	-	6,018,684
Public safety	12,689,875	-	12,689,875
Housing grants and other	24,634,261	-	24,634,261
Debt service	1,698,905	204,903	1,903,808
Capital projects - county buildings	10,627,293	-	10,627,293
Capital projects - transportation projects	27,557,751	-	27,557,751
Capital projects - recreation projects	811,664	-	811,664
Capital projects - water/sewer projects	-	26,373,122	26,373,122
Airport noise mitigation program	-	130,500	130,500
Clerk of Courts - court operations	2,101,385	-	2,101,385
Permanent fund - expendable	13,589	-	13,589
Unrestricted (deficit)	(160,099,129)	72,134,385	(87,964,744)
Total net position	<u>\$ 621,046,642</u>	<u>\$ 351,328,670</u>	<u>\$ 972,375,312</u>

Martin County, Florida
Statement of Activities
For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 102,078,425	\$ 23,786,198	\$ 13,129,927	\$ 217,218
Public safety	191,319,890	18,325,226	1,234,388	2,271,515
Physical environment	13,298,997	13,549	3,646,969	6,208,749
Transportation	33,905,051	18,083,467	1,525,855	9,542,101
Economic environment	4,999,612	251	8,560,976	49,694
Human services	10,371,687	89,246	1,293,127	-
Culture and recreation	26,458,187	4,959,983	897,255	839,251
Interest and fiscal charges on long-term debt	2,557,362	-	-	-
Total governmental activities	384,989,211	65,257,920	30,288,497	19,128,528
Business-type activities:				
Water	25,834,705	22,352,116	-	6,316,862
Sewer	21,136,459	18,288,096	-	3,111,290
Solid waste	32,951,595	31,834,483	51,229	85,055
Airport	4,711,842	2,574,564	138,643	4,491,907
Golf Course	2,908,332	2,373,176	-	-
Total business-type activities	87,542,933	77,422,435	189,872	14,005,114
Total	\$ 472,532,144	\$ 142,680,355	\$ 30,478,369	\$ 33,133,642

GENERAL REVENUES:

Property taxes, levied for general purposes
Sales tax
Communications taxes & other taxes
Investment earnings
Net change in fair value of investments
Miscellaneous
Contributions not restricted to specific programs
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
\$ (64,945,082)	\$ -	\$ (64,945,082)
(169,488,761)	-	(169,488,761)
(3,429,730)	-	(3,429,730)
(4,753,628)	-	(4,753,628)
3,611,309	-	3,611,309
(8,989,314)	-	(8,989,314)
(19,761,698)	-	(19,761,698)
(2,557,362)	-	(2,557,362)
(270,314,266)	-	(270,314,266)
-	2,834,273	2,834,273
-	262,927	262,927
-	(980,828)	(980,828)
-	2,493,272	2,493,272
-	(535,156)	(535,156)
-	4,074,488	4,074,488
(270,314,266)	4,074,488	(266,239,778)
248,887,922	-	248,887,922
35,308,134	-	35,308,134
1,783,644	-	1,783,644
12,223,419	4,386,193	16,609,612
2,330,380	695,615	3,025,995
7,662,098	2,259,442	9,921,540
7,698,778	-	7,698,778
(1,687,331)	1,687,331	-
314,207,044	9,028,581	323,235,625
43,892,778	13,103,069	56,995,847
577,153,864	338,225,601	915,379,465
\$ 621,046,642	\$ 351,328,670	\$ 972,375,312

Martin County, Florida
Balance Sheet
Governmental Funds
September 30, 2023

	General Fund	Consolidated Fire/EMS	Federal Grants	Other State Grants	County Buildings	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$27,545,591	\$ 967,879	\$ 269,206	\$ 1,222,990	\$ 2,368,071	\$ 13,269,072	\$ 45,642,809
Cash with fiscal agent	-	409,840	-	-	-	-	409,840
Investments	37,981,004	10,731,215	12,703,570	-	41,848,857	161,133,542	264,398,188
Accounts receivable	509,866	364,923	-	-	-	53,330	928,119
Assessments receivable	-	-	-	-	-	2,306,854	2,306,854
Leases receivable	933,912	-	-	-	-	-	933,912
Accrued interest receivable - leases	2,499	-	-	-	-	-	2,499
Due from other funds	15,689,058	-	51	-	-	8,811	15,697,920
Due from other governmental agencies	5,106,258	72,825	5,513,087	12,557,090	-	6,559,155	29,808,415
Inventories	454,680	499,750	-	-	-	865,894	1,820,324
Assets held for resale or donation	-	-	-	-	-	36,300	36,300
Prepaid items	231,283	140	24,551	-	-	503,513	759,487
Total assets	\$88,454,151	\$ 13,046,572	\$ 18,510,465	\$ 13,780,080	\$ 44,216,928	\$ 184,736,471	\$ 362,744,667
Liabilities							
Accounts payable	\$ 2,845,055	\$ 141,724	\$ 1,798,014	\$ 517,063	\$ 1,488,003	\$ 4,157,144	\$ 10,947,003
Accrued wages payable	875,107	911,365	10,071	4,310	5,761	397,055	2,203,669
Contracts payable - retainage	77,647	1,760	454,230	69,354	240,926	428,986	1,272,903
Due to other funds	616,382	-	-	13,000,000	-	989,120	14,605,502
Due to other governmental agencies	2,735,943	-	15,086,700	-	-	198,668	18,021,311
Deposits and other liabilities	220,504	-	-	-	-	-	220,504
Total liabilities	7,370,638	1,054,849	17,349,015	13,590,727	1,734,690	6,170,973	47,270,892
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	1,499,251	35,000	4,010,742	10,849,726	-	6,613,979	23,008,698
Leases	938,853	-	-	-	-	-	938,853
Total deferred inflows of resources	2,438,104	35,000	4,010,742	10,849,726	-	6,613,979	23,947,551
FUND BALANCES							
Nonspendable:							
Inventories and assets held for resale	454,680	499,750	-	-	-	865,894	1,820,324
Permanent fund principal	-	-	-	-	-	22,819	22,819
Prepaid items	231,283	140	24,551	-	-	503,513	759,487
Restricted for:							
Bond covenants or debt service	-	-	-	-	-	1,698,905	1,698,905
Culture and recreation projects	-	-	-	-	-	7,617,373	7,617,373
Public safety	-	-	-	-	-	12,072,966	12,072,966
Housing grants and other	570,726	-	6,599	277,832	115,699	6,032,957	7,003,813
Court operations	287,403	-	-	-	-	1,967,960	2,255,363
Capital projects	-	-	-	-	10,627,293	27,744,839	38,372,132
Other restricted purposes	-	-	-	-	-	9,603,721	9,603,721
Committed to:							
Ordinance/MSTU/Other	-	11,456,833	-	-	-	61,983,943	73,440,776
Ordinance/Judicial	-	-	-	-	-	819,958	819,958
Ordinance/Culture and recreation	-	-	-	-	-	91,466	91,466
Ordinance/CRA	-	-	-	-	-	13,934,814	13,934,814
Ordinance/Economic Development	-	-	-	-	-	1,424,289	1,424,289
Assigned to:							
Capital projects	6,050,883	-	-	-	-	21,724,274	27,775,157
OPEB	4,157,306	-	-	-	-	-	4,157,306
Disaster recovery	7,268,952	-	-	-	-	-	7,268,952
Employee benefits	3,394,000	-	-	-	-	-	3,394,000
Other assigned purposes	2,643,674	-	-	-	31,739,246	4,444,328	38,827,248
Unassigned:	53,586,502	-	(2,880,442)	(10,938,205)	-	(602,500)	39,165,355
Total fund balances	78,645,409	11,956,723	(2,849,292)	(10,660,373)	42,482,238	171,951,519	291,526,224
Total liabilities, deferred inflows and fund balances	\$88,454,151	\$ 13,046,572	\$ 18,510,465	\$ 13,780,080	\$ 44,216,928	\$ 184,736,471	\$ 362,744,667

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, 2023

Fund Balances - total governmental funds	\$ 291,526,224
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	80,002,789
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:	
Capital Assets	1,469,940,725
Accumulated depreciation	(702,222,992)
Right of use and subscription assets	13,699,257
Accumulated amortization	(2,288,328)
	<u>779,128,662</u>
Certain grant revenues and other miscellaneous revenues which do not provide current financial resources are reported as unavailable in the governmental funds.	23,008,698
Deferred inflows of resources related to Pensions and OPEB are recorded in the Statement of Net Position.	(69,740,712)
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, 2023, are:	
Compensated absences	(19,701,949)
Financed purchase agreements, leases and subscriptions	(28,018,092)
Accrued interest on bonds, notes, and leases	(869,474)
Revenue bonds	(33,880,000)
Revenue notes	(28,312,662)
Deferred amount on refunding	301,104
Unamortized bond premium	(3,540,886)
Other postemployment benefits liabilities	(135,230,445)
Net pension liabilities	(248,657,959)
Total long term obligations	<u>(497,910,363)</u>
Internal service funds used by management	<u>15,031,343</u>
Net position of governmental activities	<u>\$ 621,046,641</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, 2023

	General Fund	Consolidated Fire/EMS	Federal Grants	Other State Grants	County Buildings	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 148,745,099	\$ 54,689,732	\$ -	\$ -	\$ 14,664,018	\$ 46,172,415	\$ 264,271,264
Permits, fees and special assessments	1,457,368	-	-	-	162,859	28,643,360	30,263,587
Intergovernmental revenues	27,125,394	162,541	29,494,865	4,532,107	154,448	19,278,472	80,747,827
Charges for services	17,273,162	9,860,171	-	-	-	5,533,031	32,666,364
Fines and forfeitures	1,521,883	-	-	-	138,372	364,174	2,024,429
Interest income	4,681,771	869,671	6,560	6,506	1,525,678	5,108,458	12,198,644
Net change in fair value of investments	833,020	170,548	300	-	299,610	1,026,901	2,330,379
Contributions - private sources & donations	122,615	4,780	-	-	165,878	486,340	779,613
Interest income from leases	16,666	-	-	-	-	-	16,666
Miscellaneous revenues	9,055,559	328,124	-	-	1,067,185	1,151,046	11,601,914
Total revenues	210,832,537	66,085,567	29,501,725	4,538,613	18,178,048	107,764,197	436,900,687
EXPENDITURES							
Current:							
General government	65,663,723	5,645,370	1,761,091	337,823	1,775,911	8,641,112	83,825,030
Public safety	91,286,900	54,240,829	77,943	131,678	273,465	13,294,361	159,305,176
Physical environment	1,127,097	-	237,780	670,530	931,816	7,209,980	10,177,203
Transportation	879,741	-	1,294,395	728,381	584,027	13,241,258	16,727,802
Economic environment	345,254	-	47	-	-	3,939,678	4,284,979
Human services	2,697,927	-	3,541,717	78,579	-	3,891,439	10,209,662
Culture and recreation	16,779,429	-	236,709	76,820	928,445	4,056,579	22,077,982
Capital outlay	16,151,384	1,149,644	14,362,287	4,118,888	12,006,014	15,931,215	63,719,432
Debt service:							
Principal	2,999,110	1,165,499	-	-	6,134,949	5,857,271	16,156,829
Interest	179,491	93,219	-	-	372,419	2,447,516	3,092,645
Other debt service costs	2,520	3,020	-	-	25,643	12,211	43,394
Total expenditures	198,112,576	62,297,581	21,511,969	6,142,699	23,032,689	78,522,620	389,620,134
Excess (deficiency) of revenues over (under) expenditures	12,719,961	3,787,986	7,989,756	(1,604,086)	(4,854,641)	29,241,577	47,280,553
OTHER FINANCING SOURCES (USES)							
Issuance of debt	542,782	-	-	-	-	-	542,782
Lease financings	9,531,588	-	-	-	-	-	9,531,588
SBITA financings	2,045,444	-	-	-	-	-	2,045,444
Transfers in	1,851,782	1,500,000	533,510	215,807	8,947,364	12,936,104	25,984,567
Transfers out	(15,903,467)	(2,473,540)	(31,855)	-	(500,000)	(6,908,790)	(25,817,652)
Total other financing sources (uses)	(1,931,871)	(973,540)	501,655	215,807	8,447,364	6,027,314	12,286,729
Net change in fund balances	10,788,090	2,814,446	8,491,411	(1,388,279)	3,592,723	35,268,891	59,567,282
Fund balances - beginning	67,857,319	9,142,277	(11,340,703)	(9,272,094)	38,889,515	136,682,628	231,958,942
Fund balances - ending	\$ 78,645,409	\$ 11,956,723	\$ (2,849,292)	\$ (10,660,373)	\$ 42,482,238	\$ 171,951,519	\$ 291,526,224

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, 2023

Net change in fund balances - total governmental funds \$ 59,567,282

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	63,719,432
Depreciation expense	(41,441,299)
Amortization expense	(1,914,966)

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	(542,782)
Principal payments for financed purchase agreements, leases and subscriptions	10,299,558
Lease modification	371,667
Principal payments for loans and notes	5,857,271
Deferred amount on refunding	(100,367)
Deferred amount of bond premium	666,020
Lease financing proceeds	(9,531,588)
Subscription financing proceeds	(2,045,444)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt and the accrued legal settlements are not recognized under the modified accrual basis of accounting until they are due, rather than as they accrue.

Compensated absences	(1,904,112)
Pension expense	(34,107,027)
Accrued interest on long term debt (net of prior year accrual)	24,542

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 \$5,521,026 less accumulated depreciation of \$2,979,104	(2,541,922)

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

Donated property ~ Sheriff	2,750
Donated property ~ Board of Commissioners	3,605,542

Some revenues reported in the Statement of Activities are not reported in the governmental funds because they have no effect on current financial resources. (9,785,938)

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.	56,292

The decrease in the other postemployment benefit reported in the Statement of Activities does not require the use of current financial resources and therefore is not reported as expenditures in the governmental funds.

3,637,867

Change in net position of governmental activities	\$ 43,892,778

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Taxes	\$ 146,414,479	\$ 146,414,479	\$ 148,745,099	\$ 2,330,620
Permits, fees and special assessments	1,000,000	1,000,000	1,457,368	457,368
Intergovernmental revenues	18,671,878	20,723,447	27,125,394	6,401,947
Charges for services	15,414,606	16,023,411	17,273,162	1,249,751
Fines and forfeitures	1,716,875	1,716,875	1,521,883	(194,992)
Interest income	261,933	378,933	4,681,771	4,302,838
Net change in fair value of investments	-	-	833,020	833,020
Contributions - private sources & donations	2,226,210	2,293,210	122,615	(2,170,595)
Miscellaneous revenues	6,904,965	7,633,465	9,055,559	1,422,094
Interest income from leases	-	-	16,666	16,666
Statutory budget reduction	(500,000)	(500,000)	-	500,000
Total revenues	192,110,946	195,683,820	210,832,537	15,148,717
EXPENDITURES				
Current:				
General government	68,416,803	78,656,861	65,663,723	12,993,138
Public safety	92,769,748	93,390,498	91,286,900	2,103,598
Physical environment	662,170	688,170	1,127,097	(438,927)
Transportation	1,293,882	949,711	879,741	69,970
Economic environment	415,125	421,825	345,254	76,571
Human services	2,760,103	2,836,997	2,697,927	139,070
Culture and recreation	15,485,339	17,397,496	16,779,429	618,067
Capital outlay	4,854,889	19,560,224	16,151,384	3,408,840
Debt service:				
Principal	-	-	2,999,110	(2,999,110)
Interest	-	-	179,491	(179,491)
Other debt service costs	-	-	2,520	(2,520)
Total expenditures	186,658,059	213,901,782	198,112,576	15,789,206
Excess (deficiency) of revenues over (under) expenditures	5,452,887	(18,217,962)	12,719,961	30,937,923
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	542,782	542,782
Transfers in	(2,004,075)	(2,547,027)	1,851,782	4,398,809
Transfers out	(5,113,065)	(16,951,227)	(15,903,467)	1,047,760
Lease financings	-	-	9,531,588	9,531,588
SBITA financings	-	-	2,045,444	2,045,444
Reserves	(21,402,173)	(33,126,466)	-	33,126,466
Total other financing sources (uses)	(28,519,313)	(52,624,720)	(1,931,871)	50,692,849
Net change in fund balances	\$ (23,066,426)	\$ (70,842,682)	\$ 10,788,090	\$ 81,630,772
Fund balances - beginning	23,066,426	70,842,682	67,857,319	
Fund balances - ending	\$ -	\$ -	\$ 78,645,409	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 53,808,908	\$ 53,808,908	\$ 54,689,732	\$ 880,824
Intergovernmental revenues	125,000	125,000	162,541	37,541
Charges for services	8,130,300	8,155,300	9,860,171	1,704,871
Interest income	-	-	869,671	869,671
Net change in fair value of investments	-	-	170,548	170,548
Contributions - private sources & donations	-	-	4,780	4,780
Miscellaneous revenues	41,000	323,622	328,124	4,502
Statutory budget reduction	(50,000)	(50,000)	-	50,000
Total revenues	62,055,208	62,362,830	66,085,567	3,722,737
EXPENDITURES:				
Current:				
General government	3,141,966	4,644,666	5,645,370	(1,000,704)
Public safety	48,020,739	55,519,446	54,240,829	1,278,617
Capital outlay	981,683	3,189,635	1,149,644	2,039,991
Debt service:				
Principal	1,512,692	1,512,692	1,165,499	347,193
Interest	96,057	96,057	93,219	2,838
Other debt service costs	7,600	7,600	3,020	4,580
Total expenditures	53,760,737	64,970,096	62,297,581	2,672,515
Excess (deficiency) of revenues over (under) expenditures	8,294,471	(2,607,266)	3,787,986	6,395,252
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,500,000	1,500,000	-
Transfers out	(2,642,855)	(2,482,477)	(2,473,540)	8,937
Reserves	(5,811,994)	(5,156,613)	-	5,156,613
Total other financing sources (uses)	(8,454,849)	(6,139,090)	(973,540)	5,165,550
Net change in fund balances	(160,378)	(8,746,356)	2,814,446	\$ 11,560,802
Fund balances - beginning	160,378	8,746,356	9,142,277	
Fund balances - ending	\$ -	\$ -	\$ 11,956,723	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Intergovernmental revenues	\$ 448,044	\$ 51,539,402	\$ 29,494,865	\$ (22,044,537)
Interest income	-	-	6,560	6,560
Net change in fair value of investments	-	-	300	300
Total revenues	448,044	51,539,402	29,501,725	(22,037,677)
EXPENDITURES:				
Current:				
General government	448,044	6,251,364	1,761,091	4,490,273
Public safety	-	78,507	77,943	564
Physical environment	-	683,869	237,780	446,089
Transportation	-	4,947,473	1,294,395	3,653,078
Economic environment	-	750,000	47	749,953
Human services	-	6,331,115	3,541,717	2,789,398
Culture and recreation	-	448,189	236,709	211,480
Capital outlay	-	33,498,364	14,362,287	19,136,077
Total expenditures	448,044	52,988,881	21,511,969	31,476,912
Excess (deficiency) of revenues over (under) expenditures	-	(1,449,479)	7,989,756	9,439,235
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,450,037	533,510	(916,527)
Transfers out	-	-	(31,855)	(31,855)
Reserves	-	(189,591)	-	189,591
Total other financing sources (uses)	-	1,260,446	501,655	(758,791)
Net change in fund balances	-	(189,033)	8,491,411	\$ 8,680,444
Fund balances - beginning	-	189,033	(11,340,703)	
Fund balances - ending	\$ -	\$ -	\$ (2,849,292)	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
Intergovernmental revenues	\$ -	\$ 15,961,220	\$ 4,532,107	\$ (11,429,113)
Interest income	-	-	6,506	6,506
Total revenues	-	15,961,220	4,538,613	(11,422,607)
EXPENDITURES				
Current				
General government	-	864,435	337,825	526,610
Public safety	-	1,651,492	131,676	1,519,816
Physical environment	-	8,486,095	670,530	7,815,565
Transportation	-	1,521,389	728,381	793,008
Human services	-	78,579	78,579	-
Culture and recreation	-	187,021	76,820	110,201
Capital outlay	-	7,002,295	4,118,888	2,883,407
Total expenditures	-	19,791,306	6,142,699	13,648,607
Excess (deficiency) of revenues over				
(under) expenses	-	(3,830,086)	(1,604,086)	2,226,000
OTHER FINANCING SOURCES (USES)				
Transfers in	-	3,827,682	215,807	(3,611,875)
Net change in fund balances	\$ -	\$ (2,404)	(1,388,279)	\$ (1,385,875)
Fund balances, beginning	-	2,404	(9,272,094)	
Fund balances, ending	\$ -	\$ -	\$ (10,660,373)	

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

Martin County, Florida
Statement of Net Position
Proprietary Funds
September 30, 2023

	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	\$ 644,788	\$ 30,575	\$ 111,037	\$ 786,400	\$ 8,388,530
Restricted cash	1,966,064	-	-	1,966,064	393,500
Investments	51,811,609	20,921,875	3,026,406	75,759,890	6,403,141
Restricted investments	5,933,893	656,701	-	6,590,594	-
Accounts receivable	4,565,166	1,006,291	47,224	5,618,681	512,286
Advance receivable from utilities	-	698,903	-	698,903	-
Special assessments notes receivable, current	1,494,986	-	-	1,494,986	-
Leases receivable	-	-	224,000	224,000	-
Accrued interest receivable - leases	-	-	2,849	2,849	-
Due from other funds	-	-	-	-	607,582
Receivables from other governmental agencies	-	85,016	2,618,086	2,703,102	2,630
Inventories	2,557,823	-	73,430	2,631,253	214,054
Assets held for resale or donation	-	-	130,500	130,500	-
Prepaid items	181	-	8,997	9,178	4,000
Total current assets	68,974,510	23,399,361	6,242,529	98,616,400	16,525,723
Noncurrent assets:					
Advance receivable from utilities	-	4,540,562	-	4,540,562	-
Lease receivables	-	-	761,293	761,293	-
Restricted assets:					
Due from other governmental units	373,041	-	-	373,041	-
Investments	18,445,138	3,453	-	18,448,591	-
Special assessments notes receivable	10,358,014	-	-	10,358,014	-
Total restricted assets	29,176,193	3,453	-	29,179,646	-
Special assessment notes receivable	3,377,567	-	-	3,377,567	-
Capital assets:					
Land and land use rights - permanent	5,906,021	3,310,005	6,875,978	16,092,004	-
Buildings	148,928,967	12,960,658	8,772,531	170,662,156	-
Equipment	10,182,600	8,150,799	1,919,619	20,253,018	5,669,098
Water distribution system	144,726,860	-	-	144,726,860	-
Sewer collection system	173,627,970	-	-	173,627,970	-
Land improvements	-	12,741,430	1,355,456	14,096,886	-
Airport improvements	-	-	38,280,403	38,280,403	-
Construction in progress	5,977,024	66,726	6,282,563	12,326,313	-
Intangible assets	10,924,640	34,972	80,076	11,039,688	-
Less accumulated depreciation and amortization	(244,789,999)	(21,794,927)	(27,084,291)	(293,669,217)	(4,321,220)
Capital assets, net	255,484,083	15,469,663	36,482,335	307,436,081	1,347,878
Total noncurrent assets	288,037,843	20,013,678	37,243,628	345,295,149	1,347,878
Total assets	357,012,353	43,413,039	43,486,157	443,911,549	17,873,601
DEFERRED OUTFLOWS OF RESOURCES					
Loss on refunding debt	2,293,703	-	-	2,293,703	-
Pension	1,686,304	379,696	155,820	2,221,820	-
Other postemployment benefits	548,832	37,877	35,664	622,373	-
Total deferred outflows of resources	4,528,839	417,573	191,484	5,137,896	-

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

	Business Type Activities Enterprise Funds				Governmental Activities- Internal Service Funds
	Water/ Sewer Utilities	Solid Waste	Nonmajor Enterprise Funds	Total	
LIABILITIES					
Current liabilities:					
Payable from current assets:					
Accounts payable and accrued claims	1,767,916	6,027,668	751,170	8,546,754	2,351,150
Accrued wages payable	205,428	41,919	17,532	264,879	13,799
Due to other funds	-	-	1,700,000	1,700,000	-
Accrued interest payable	4,820	-	-	4,820	-
Accrued compensated absences, current	584,944	110,645	33,340	728,929	46,000
Current portion of loans and notes payable	452,041	-	-	452,041	-
Current portion of advance from solid waste	698,903	-	-	698,903	-
Unearned revenue	-	297,018	114,393	411,411	-
	3,714,052	6,477,250	2,616,435	12,807,737	2,410,949
Payable from restricted assets:					
Landfill closure costs, current	-	656,701	-	656,701	-
Deposits	1,320,597	-	-	1,320,597	-
Contracts payable	1,732,559	-	246,329	1,978,888	-
Bonds payable current portion	5,025,000	-	-	5,025,000	-
	8,078,156	656,701	246,329	8,981,186	-
Total current liabilities	11,792,208	7,133,951	2,862,764	21,788,923	2,410,949
Noncurrent liabilities:					
Accrued compensated absences	91,679	55,139	21,478	168,296	10,458
Other postemployment benefits liability	2,090,048	144,238	135,815	2,370,101	-
Net pension liability	7,363,755	1,658,055	680,435	9,702,245	-
Loans and notes payable	8,723,919	-	-	8,723,919	-
Advance from solid waste	4,540,562	-	-	4,540,562	-
Bonds payable, net of current portion	41,064,176	-	-	41,064,176	-
Landfill closure costs	-	7,443,494	-	7,443,494	-
Total noncurrent liabilities	63,874,139	9,300,926	837,728	74,012,793	10,458
Total liabilities	75,666,347	16,434,877	3,700,492	95,801,716	2,421,407
DEFERRED INFLOWS OF RESOURCES					
Pension	242,978	54,710	22,451	320,139	-
Other postemployment benefits	1,002,955	69,216	65,173	1,137,344	-
Leases	-	-	882,427	882,427	-
Total deferred inflows of resources	1,245,933	123,926	970,051	2,339,910	-
NET POSITION					
Net investment in capital assets	200,780,090	15,469,662	36,236,008	252,485,760	1,347,878
Restricted:					
Capital projects	26,373,122	-	-	26,373,122	-
Bond covenants or debt service	204,903	-	-	204,903	-
Noise abatement projects	-	-	130,500	130,500	-
Unrestricted	57,270,797	11,802,147	2,640,590	71,713,534	14,104,316
Total net position	\$ 284,628,912	\$ 27,271,809	\$ 39,007,098	350,907,819	\$ 15,452,194
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				420,851	
Net position business-type activities				<u>351,328,670</u>	

Martin County, Florida
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2023

	Business Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Water/Sewer Utilities	Solid Waste	Nonmajor Enterprise Funds	Total
OPERATING REVENUES				
Charges for services	\$ 40,640,212	\$ 31,834,483	\$ 4,947,740	\$ 77,422,435
Miscellaneous revenues	1,804,531	93,258	361,653	2,259,442
Total operating revenues	42,444,743	31,927,741	5,309,393	79,681,877
OPERATING EXPENSES				
Salaries and related expenses	10,381,164	2,296,058	1,013,200	13,690,422
General, administrative, claims, operating, and maintenance	14,379,681	28,700,117	3,888,762	46,968,560
Landfill closure and post closure care costs	-	845,667	-	845,667
Depreciation	20,092,060	1,192,289	2,730,113	24,014,462
Total operating expenses	44,852,905	33,034,131	7,632,075	85,519,111
Operating income (loss)	(2,408,162)	(1,106,390)	(2,322,682)	(5,837,234)
NONOPERATING REVENUES (EXPENSES)				
Interest income	3,134,602	1,104,672	146,919	4,386,193
Net change in fair value	486,371	168,407	40,836	695,614
Grant income	439,041	136,285	138,643	713,969
Interest expense	(1,774,878)	-	-	(1,774,878)
Amortization of bond discount	(430,252)	-	-	(430,252)
Gain (loss) on disposition of capital assets	61,435	89,649	8,859	159,943
Total net nonoperating revenues (expenses)	1,916,319	1,499,013	335,257	3,750,589
Income (loss) before contributions and transfers	(491,843)	392,623	(1,987,425)	(2,086,645)
Capital contributions	10,752,151	-	4,583,114	15,335,265
Transfers in	-	-	130,699	130,699
Transfers out	(297,615)	-	-	(297,615)
Change in net position	9,962,693	392,623	2,726,388	13,081,704
Total net position - beginning	274,666,219	26,879,186	36,280,710	15,374,537
Total net position - ending	\$ 284,628,912	\$ 27,271,809	\$ 39,007,098	\$ 15,452,194
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				21,365
Change in net position business type activities				<u>\$ 13,103,069</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, 2023

	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	\$ 41,123,760	\$ 31,345,438	\$ 4,982,243	\$ 77,451,441	\$ 46,088,707
Other receipts	1,804,531	93,258	328,663	2,226,452	5,007,774
Payments for salaries and benefits	(9,411,923)	(2,065,574)	(917,593)	(12,395,090)	(686,735)
Payments to suppliers	(15,248,287)	(28,739,676)	(3,992,748)	(47,980,711)	(50,025,474)
Payments for long-term care costs	-	(845,667)	-	(845,667)	-
Payments for landfill closure cost	-	(49,792)	-	(49,792)	-
Other payments	25,100	23,030	-	48,130	-
Net cash provided (used) by operating activities	18,293,181	(238,983)	400,565	18,454,763	384,272
CASH FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers from (to) other funds	(297,615)	-	1,830,699	1,533,084	-
Operating grants	-	51,269	-	51,269	-
Net cash provided by noncapital financing activities	(297,615)	51,269	1,830,699	1,584,353	-
CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital grants received	254,317	-	3,245,532	3,499,849	-
Capital contributions	5,036,260	-	-	5,036,260	-
Distribution of special assessment fees	5,654,195	-	-	5,654,195	-
Purchases of capital assets	(17,966,418)	(1,662,505)	(5,078,548)	(24,707,471)	(832,435)
Advances from other funds for capital activities	(681,116)	681,116	-	-	-
Principal paid on capital debt	(2,973,345)	-	-	(2,973,345)	-
Proceeds from sale of assets	132,977	102,534	8,859	244,370	208,916
Interest payment on bonds, notes and loans	(2,113,853)	-	-	(2,113,853)	-
Net cash provided (used) by capital and related financing activities	(12,656,983)	(878,855)	(1,824,157)	(15,359,995)	(623,519)
CASH FROM INVESTING ACTIVITIES:					
Purchase of investments	(8,789,885)	(305,291)	(466,098)	(9,561,274)	66,453
Interest received	3,620,973	1,273,079	152,070	5,046,122	615,140
Net cash used in investing activities	(5,168,912)	967,788	(314,028)	(4,515,152)	681,593
Net increase (decrease) in cash and cash equivalents	169,671	(98,781)	93,079	163,969	442,346
Cash and cash equivalents at beginning of period	2,441,181	129,356	17,958	2,588,495	8,339,684
Cash and cash equivalents at end of period	<u>\$ 2,610,852</u>	<u>\$ 30,575</u>	<u>\$ 111,037</u>	<u>\$ 2,752,464</u>	<u>\$ 8,782,030</u>

(continued)

Martin County, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2023

	Business Type Activities Enterprise Funds				Governmental Activities - Internal Service Funds
	Water/Sewer Utilities	Solid Waste	Non-Major Enterprise Funds	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ (2,408,162)	\$ (1,106,390)	\$ (2,322,681)	\$ (5,837,233)	\$ (746,399)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	20,092,060	1,192,289	2,730,113	24,014,462	569,986
Changes in assets and liabilities:					
Accounts receivable, net	483,549	(489,045)	(18,073)	(23,569)	670,178
Lease receivables, net	-	-	210,177	210,177	-
Deferred outflows, pension	52,193	10,088	(85)	62,196	-
Deferred outflows, OPEB	68,198	4,706	4,431	77,335	-
Unearned revenue	-	-	32,711	32,711	-
Due from other funds	-	-	-	-	(153,019)
Inventories	(254,103)	-	(35,580)	(289,683)	(32,669)
Other current assets	1,319	-	(8,847)	(7,528)	-
Accounts payable	(615,822)	(39,556)	(58,908)	(714,286)	73,354
Accrued wages	26,652	950	962	28,564	1,868
Deferred inflows, pension	(85,680)	(18,977)	(6,991)	(111,648)	-
Deferred inflows, OPEB	566,166	39,072	36,790	642,028	-
Deferred inflows, leases	-	-	(223,303)	(223,303)	-
Net pension liability	983,972	227,661	108,927	1,320,560	-
Other post-employment benefits	(657,741)	(45,392)	(42,740)	(745,873)	-
Landfill closure costs	-	(49,792)	-	(49,792)	-
Accrued compensated absences	15,480	12,373	(6,338)	21,515	973
Customer deposits	25,100	23,030	-	48,130	-
Net cash provided (used) by operating activities:	<u>\$ 18,293,181</u>	<u>\$ (238,983)</u>	<u>\$ 400,565</u>	<u>\$ 18,454,763</u>	<u>\$ 384,272</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Contributions of capital assets	\$ 1,763,040	\$ -	\$ 91,207	\$ 1,854,247	\$ -

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, 2023

	Private Purpose Trust Funds	Custodial Funds	Total Fiduciary Funds
ASSETS			
Cash and cash equivalents	\$ 34,049	\$ 14,334,182	\$ 14,368,231
Investments	178,437	3,237,129	3,415,566
Accounts receivable	-	628,701	628,701
Total assets	<u>212,486</u>	<u>18,200,012</u>	<u>18,412,498</u>
LIABILITIES			
Accounts payable	1,336	19	1,355
Due to other governmental agencies	-	7,884,860	7,884,860
Deposits from individuals and corporations	-	210,756	210,756
Total liabilities	<u>1,336</u>	<u>8,095,635</u>	<u>8,096,971</u>
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	-	10,104,377	10,104,377
Held in trust	211,150	-	211,150
	<u>\$ 211,150</u>	<u>\$ 10,104,377</u>	<u>\$ 10,315,527</u>

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

Martin County, Florida
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2023

	Private Purpose Trust Funds	Custodial Funds	Total Fiduciary Funds
ADDITIONS:			
Fees and charges collected for others	\$ -	\$ 21,060,035	\$ 21,060,035
Tax collections for Martin County			
Board of County Commissioners	-	278,055,911	278,055,911
Tax collections for other governments	-	278,076,846	278,076,846
Fines and forfeitures	66,752	-	66,752
Interest income	8,944	-	8,944
Net change in fair value of investments	1,287	-	1,287
Miscellaneous	-	9,546,974	9,546,974
Total additions	76,983	586,739,766	586,816,749
DEDUCTIONS:			
Payments to Martin County Board of County Commissioners	-	278,150,775	278,150,775
Payments to individuals, organizations, and other governments	-	298,732,260	298,732,260
Miscellaneous	2,216	8,059,912	8,062,128
Human services	65,000	-	65,000
Salaries and related expenses	25,301	-	25,301
Capital outlay	139,251	-	139,251
Total deductions	231,768	584,942,947	585,174,715
Change in net position	(154,785)	1,796,819	1,642,034
Net position - beginning	365,935	8,307,558	8,673,493
Net position - ending	\$ 211,150	\$ 10,104,377	\$ 10,315,527

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



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Martin County, Florida

September 30, 2023

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Martin County, Florida
Notes to Financial Statements
September 30, 2023

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

Martin County, Florida
Notes to Financial Statements
September 30, 2023

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 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.

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 service funds are consolidated into the governmental activities column when presented at the government-wide

Martin County, Florida
Notes to Financial Statements
September 30, 2023

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.

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

Martin County, Florida
Notes to Financial Statements
September 30, 2023

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.

Martin County, Florida
Notes to Financial Statements
September 30, 2023

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

F. Budgets

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

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

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

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

The County sets aside reserves to address unforeseen and unexpected events and to offset unexpected downturns in revenues from budgeted estimates. It is an objective of the County to maintain a managed reserve in the various operating funds at a level sufficient for temporary financing of unforeseen emergency needs and to permit orderly 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.

Martin County, Florida
Notes to Financial Statements
September 30, 2023

G. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded as a reservation of budget, is employed as an extension of the statutorily required budgetary process. Under Florida Statutes, appropriations, even if encumbered, lapse at fiscal year-end. In the accompanying financial statements the encumbered amounts are reported as restricted, committed or assigned based on the purpose of the related resources.

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

1. Cash and Cash Equivalents

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

2. Investments

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

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

In June 2010, the GASB issued Statement No. 59, *Financial Instruments Omnibus*, which clarified investments in 2a7-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

Martin County, Florida
Notes to Financial Statements
September 30, 2023

investment in Florida PRIME is measured at amortized cost, it is exempt from the scope of GASB Statement No. 72 fair value hierarchy disclosures.

The Florida Local Government Investment Trust (the Trust) was created and established under the laws of the state of Florida for the purpose of providing opportunities for the investment of excess public funds. The Trust is operated and administered by a Board of Trustees consisting of six members, three appointed by the Florida Association of Court Clerks, Inc., and three appointed by the Florida Association of Counties, Inc. The Trust is self-regulated and is not registered with the Securities and Exchange Commission.

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

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

Florida Short Term Asset Reserve (FLSTAR) and Florida Cooperative Liquid Assets Securities System (FLCLASS) were created under Section 163.01, Florida Statutes and operates as an intergovernmental investment pool as described in Section 218.415, Florida Statutes. All funds and investment assets are held in trust and managed by a Board of Trustees for the benefit of the participants. FLSTAR's policy seeks to invest pooled assets in a manner that will provide for preservation and safety of principal and competitive investment returns while meeting the daily liquidity needs of the participants by utilizing economies of scale and professional investment expertise. Because the County's investment in FLSTAR and FLCLASS is measured at a NAV fair value per share, it is excluded from categorization within the fair value hierarchy of GASB Statement No. 72.

3. Receivables

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

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

4. Interfund Activities

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the

Martin County, Florida
Notes to Financial Statements
September 30, 2023

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

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

5. Internal Balances

The County is reporting a net Internal Balance amount of \$1,279,149 (positive for Governmental Activities and negative for Business-Type Activities) for fiscal year 2023. A portion of this amount consists of \$1,700,000 that is an interfund loan between business-type and governmental activities, with Airport and General Fund. 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 2023 portion of the internal service funds’ increase was \$21,365. That amount is combined with the previous year’s cumulative total of \$399,486. 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

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shown as capital outlay expenditures. Capital assets are not shown on the governmental fund balance sheets, and no depreciation expense is recorded in the governmental funds. Dispositions and retirements are reported in the year of disposal. The County uses the following capitalization thresholds for assets, based on asset type:

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

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

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

Buildings	20 - 50 years
Improvements and equipment	3 - 40 years
Intangible plant asset	5 - 40 years
Roads	15 - 30 years
Bridges	50 years
Sidewalks	15 - 50 years
Stormwater	30 years
Software	5 years
Land use rights	Depends on Agreement
Leased assets	Depends on Agreement
Subscription agreements	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. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* GASB and Statement No. 68, *Accounting and Financial Reporting for Pensions*, for the

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measurement, recognition, and display of pension expenditures or expenses as discussed in a subsequent note.

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

12. Long-Term Obligations

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

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

13. Compensated Absences

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

14. Landfill Closure and Post closure Care Costs

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

15. Special Assessments

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

16. Use of Estimates

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

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.

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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 2023 includes \$19,680,198 of net position restricted by enabling legislation.

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

18. Governmental Fund Balance

In accordance with GAAP fund balances are classified using GASB Statement No. 54, *Fund Balance Reporting and Governmental 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

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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 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.

20. Subscription Based Information Technology Agreements

Subscription based information technology arrangements are defined by the general government as a contract that conveys control of the right to use another party's information technology software. The County recognizes a SBITA liability and an intangible right-of-use SBITA asset at the beginning of a contract unless the lease is considered a short-term. SBITA assets are measured based on the net present value of the future payments at inception, using the weighted average cost of capital, which approximate the incremental borrowing rate. Remeasurement of a SBITA liability occurs when there is a change in the contract term and/or other changes that are likely to have a significant impact on the SBITA liability. The County calculates the amortization of the discount on the SBITA liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to 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. Additional information is provided in Note 6.

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

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depository's collateral pledging level. The collateral pledging level may range from 25% to 150%, depending upon the depository's financial condition and the length of time that the depository has been established. All collateral must be deposited with the State Treasurer. Any losses to public depositors resulting from insolvency are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessment against other qualified public depositories of the same type as the depository in default. All bank balances of the County are fully insured or collateralized.

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

Investments

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

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	\$ 54,031,339	\$ 786,400	\$ 14,368,231	\$ 69,185,970
Restricted cash and cash equivalents	803,340	1,966,064	-	2,769,404
Investments	270,801,329	75,759,890	3,415,566	349,976,785
Restricted investments - current	-	6,590,594	-	6,590,594
Restricted investments - noncurrent	-	18,448,591	-	18,448,591
	<u>\$ 325,636,008</u>	<u>\$ 103,551,539</u>	<u>\$ 17,783,797</u>	<u>\$ 446,971,344</u>

As of September 30, 2023, 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.

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The County had the following investments with stated maturities categorized as Level 1, Level 2, or Level 3 as of September 30, 2023.

Investments by Level	Fair Value as of 9/30/2023	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	\$ 42,243,010	\$ -	\$ 42,243,010	\$ -
FHLB Agency Bullet	46,556,120	-	46,556,120	-
FHLB Agency Callable	20,204,870	-	20,204,870	-
FHLMC Agency Bullet	11,893,920	-	11,893,920	-
FHLMC Agency Callable	13,873,720	-	13,873,720	-
FFCB Agency Bullet	52,656,955	-	52,656,955	-
FFCB Agency Callable	6,936,160	-	6,936,160	-
Total investments at fair value	194,364,755	\$ -	\$ 194,364,755	\$ -
Investments Reported at Amortized Cost				
Florida PRIME	49,130,471			
FLGIT - Day-to-Day Fund	14,845,772			
Certificates of deposit, TrustCo	14,324,714			
Total investments reported at amortized cost	78,300,957			
Investments Reported at NAV share value				
FLGIT - Short Term Bond Fund	11,057,150			
FLCLASS	26,566,164			
FLSTAR	10,545,579			
Total investments reported at NAV share value	48,168,893			
Total investments	320,834,605			
Cash and cash deposits	126,136,739			
Total cash and cash equivalents and investments	\$ 446,971,344			

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Credit Risk and Concentration of Credit Risk

Investment	Amount	Percentage of Portfolio	Standard & Poor's / Fitch Investment Rating
Florida Prime Investment Pool (SBA)	\$ 49,130,471	10.99 %	AAAm
FLCLASS Local Government Investment Pool	26,566,164	5.94	AAAm
Florida Local Government Investment Trust (Short Term Bond Fund)	11,057,150	2.47	AAAf
Florida Local Government Investment Trust (Day to Day fund)	14,845,772	3.32	AAAm
FLSTAR	10,545,579	2.36	AAAm
U.S. Agency Bonds	152,121,745	34.03	N/A
U.S. Treasuries	42,243,010	9.45	N/A
Certificates of deposit	14,324,714	3.21	N/A
Cash and cash deposits	126,136,739	28.23	N/A
	<u>\$ 446,971,344</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

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Interest Rate Risk

Investment type	Fair Value as of 9/30/2023	Effective Duration in Years		
		Less than 1 Year	1 year but less than 3	3 years but less than 5
Investments subject to Interest rate risk:				
Florida Local Government Investment Trust Short Term Bond Fund (effective duration 1.46 years)	\$ 11,057,150	\$ 3,283,974	\$ 7,674,767	\$ 98,409
U.S. Treasuries	42,243,010	42,243,010	-	-
U.S. Agency Bonds	152,121,745	90,321,405	61,800,340	-
	205,421,905	<u>\$ 135,848,389</u>	<u>\$ 69,475,107</u>	<u>\$ 98,409</u>
Other investment:				
Florida Prime Investment Pool (SBA)	49,130,471			
FLCLASS Local Government Investment Pool	26,566,164			
Florida Local Government Investment Trust Day to Day fund	14,845,772			
FLSTAR Local Government Investment Pool	10,545,579			
Certificates of deposit	14,324,714			
Cash and cash deposits	<u>126,136,739</u>			
	<u>\$ 446,971,344</u>			

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

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

Custodial Credit Risk

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

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

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

Foreign Currency Risk

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

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Note 3 - Interfund Receivables and Payables

Interfund balances at September 30, 2023, are expected to be repaid within one year. Interfund receivable and payable balances for the year ended September 30, 2023, were as follows:

Payable Fund	Receivable Fund					Total
	General Fund	Federal Grants	Nonmajor Governmental Funds	Solid Waste	Internal Service Funds	
General Fund	\$ -	\$ -	\$ 8,800	\$ -	\$607,582	\$ 616,382
State Grants	13,000,000	-	-	-	-	13,000,000
Nonmajor governmental funds	989,058	51	11	-	-	989,120
Water/Sewer Utilities	-	-	-	698,903	-	698,903
Nonmajor Business-Type Funds	1,700,000	-	-	-	-	1,700,000
Total receivables and payables	<u>\$ 15,689,058</u>	<u>\$ 51</u>	<u>\$ 8,811</u>	<u>\$698,903</u>	<u>\$607,582</u>	<u>\$17,004,405</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) temporary loans are used to cover deficit cash;
- (3) advance agreement between Water/Sewer Utilities and Solid Waste.

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Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 225,054,881	\$ 3,437,117	\$ (106,376)	\$ 228,385,622
Land use rights - permanent	3,422,377	394,690	-	3,817,067
Construction in progress	107,359,318	46,713,398	(92,927,200)	61,145,516
Total capital assets not being depreciated	<u>335,836,576</u>	<u>50,545,205</u>	<u>(93,033,576)</u>	<u>293,348,205</u>
Capital assets being depreciated:				
Buildings and improvements	219,396,947	24,885,072	(73,235)	244,208,784
Equipment	150,441,581	7,845,985	(3,792,009)	154,495,557
Land use rights - temporary	5,716,856	13,338	-	5,730,194
Software	13,900,413	511,000	-	14,411,413
Land improvements	69,210,668	10,527,109	-	79,737,777
Infrastructure	630,217,552	53,460,341	-	683,677,893
Right of use assets	2,445,143	9,533,088	(574,568)	11,403,663
Subscription assets	-	2,295,594	-	2,295,594
Total capital assets being depreciated	<u>1,091,329,160</u>	<u>109,071,527</u>	<u>(4,439,812)</u>	<u>1,195,960,875</u>
Less accumulated depreciation for:				
Buildings and improvements	(104,397,141)	(8,334,917)	67,276	(112,664,782)
Equipment and other assets	(96,524,924)	(12,691,821)	3,222,178	(105,994,567)
Land use rights	(2,346,571)	(318,180)	-	(2,664,751)
Software	(9,729,605)	(1,000,022)	-	(10,729,627)
Land improvements	(43,465,306)	(2,916,390)	-	(46,381,696)
Infrastructure	(411,358,833)	(16,749,957)	-	(428,108,790)
Accumulated amortization, leases	(558,798)	(1,216,467)	185,437	(1,589,828)
Accumulated amortization, subscription assets	-	(698,499)	-	(698,499)
Total accumulated depreciation and amortization	<u>(668,381,178)</u>	<u>(43,926,253)</u>	<u>3,474,891</u>	<u>(708,832,540)</u>
Total capital assets being depreciated, net	<u>422,947,982</u>	<u>65,145,274</u>	<u>(964,921)</u>	<u>487,128,335</u>
Governmental activities capital assets, net	<u>\$ 758,784,558</u>	<u>\$ 115,690,479</u>	<u>\$ (93,998,497)</u>	<u>\$ 780,476,540</u>

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Depreciation and amortization expense was charged as follows:

Governmental activities:

General government	\$ 7,987,620
Public safety	10,298,332
Physical environment	2,980,224
Transportation (which includes depreciation for infrastructure)	16,480,282
Economic environment	522,301
Human services	62,647
Culture and recreation	5,024,859

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

	569,988
Total governmental activities depreciation expense	<u>\$ 43,926,253</u>

Business-type activities:

Water/Sewer Utilities:

Capital assets not being depreciated

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Land	\$ 5,974,413	\$ -	\$ (68,392)	\$ 5,906,021
Intangible assets, land use rights	1,397,018	167,926	-	1,564,944
Construction in progress	<u>13,555,435</u>	<u>14,043,961</u>	<u>(21,622,372)</u>	<u>5,977,024</u>
Total capital assets not being depreciated	<u>20,926,866</u>	<u>14,211,887</u>	<u>(21,690,764)</u>	<u>13,447,989</u>

Capital assets being depreciated

Buildings	147,313,736	1,615,231	-	148,928,967
Water distribution system	116,062,835	8,851,631	-	124,914,466
Wells	19,532,090	280,304	-	19,812,394
Sewer collection system	158,384,758	15,243,212	-	173,627,970
Equipment & leasehold improvement	9,463,817	960,906	(242,123)	10,182,600
Intangible assets	<u>9,359,695</u>	<u>-</u>	<u>-</u>	<u>9,359,695</u>
Total capital assets being depreciated	<u>460,116,931</u>	<u>26,951,284</u>	<u>(242,123)</u>	<u>486,826,092</u>

Less depreciation and amortization for

Buildings	(74,752,997)	(3,947,090)	-	(78,700,087)
Water distribution system	(58,841,888)	(5,009,587)	-	(63,851,475)
Wells	(10,109,843)	(750,637)	-	(10,860,480)
Sewer collection system	(69,733,201)	(9,231,053)	-	(78,964,254)
Equipment & leasehold improvements	(6,775,585)	(822,140)	238,973	(7,358,752)
Intangible assets	<u>(4,723,397)</u>	<u>(331,553)</u>	<u>-</u>	<u>(5,054,950)</u>
Total accumulated depreciation and amortization	<u>(224,936,911)</u>	<u>(20,092,060)</u>	<u>238,973</u>	<u>(244,789,998)</u>

Total capital assets being depreciated, net

	<u>235,180,020</u>	<u>6,859,224</u>	<u>(3,150)</u>	<u>242,036,094</u>

Water/Sewer capital assets, net

	<u>\$ 256,106,886</u>	<u>\$ 21,071,111</u>	<u>\$ (21,693,914)</u>	<u>\$ 255,484,083</u>

Martin County, Florida
Notes to Financial Statements
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	Beginning Balance	Increases Transfers	Decreases Transfers	Ending Balance
Solid Waste:				
Capital assets not being depreciated				
Land	\$ 3,310,005	\$ -	\$ -	\$ 3,310,005
Construction in progress	319,691	321,515	(574,480)	66,726
Total capital assets not being depreciated	3,629,696	321,515	(574,480)	3,376,731
Capital assets being depreciated				
Buildings and improvements	12,412,017	548,641	-	12,960,658
Landfill improvements	12,715,590	25,840	-	12,741,430
Equipment & leasehold improvement	6,976,143	1,340,989	(166,333)	8,150,799
Intangible assets	34,972	-	-	34,972
Total capital assets being depreciated:	32,138,722	1,915,470	(166,333)	33,887,859
Less accumulated depreciation for				
Buildings and improvements	(5,693,556)	(420,189)	-	(6,113,745)
Landfill improvements	(11,153,525)	(204,535)	-	(11,358,060)
Equipment & leasehold improvement	(3,890,918)	(565,058)	153,448	(4,302,528)
Intangible assets	(18,087)	(2,507)	-	(20,594)
Total accumulated depreciation and amortization	(20,756,086)	(1,192,289)	153,448	(21,794,927)
Total capital assets being depreciated, net	11,382,636	723,181	(12,885)	12,092,932
Solid Waste capital assets, net	\$ 15,012,332	\$ 1,044,696	\$ (587,365)	\$ 15,469,663
Airport:				
Capital assets not being depreciated				
Land	\$ 6,875,978	\$ -	\$ -	\$ 6,875,978
Construction in progress	2,466,699	5,190,966	(1,375,102)	6,282,563
Total capital assets, not being depreciated	9,342,677	5,190,966	-	13,158,541
Capital assets being depreciated				
Buildings	7,067,260	447,012	-	7,514,272
Airport improvements	37,352,312	928,091	-	38,280,403
Equipment	691,232	49,970	(73,816)	667,386
Intangible assets	80,076	-	-	80,076
Total capital assets, being depreciated	45,190,880	1,425,073	-	46,542,137
Less accumulated depreciation for				
Buildings	(2,722,154)	(476,645)	-	(3,198,799)
Airport improvements	(18,840,443)	(2,011,288)	-	(20,851,731)
Equipment	(547,040)	(35,798)	73,815	(509,023)
Intangible assets	(6,402)	(6,493)	-	(12,895)
Total accumulated depreciation and amortization	(22,116,039)	(2,530,224)	-	(24,572,448)
Total capital assets being depreciated, net	23,074,841	(1,105,151)	-	21,969,689
Airport capital assets, net	\$ 32,417,518	\$ 4,085,815	\$ -	\$ 35,128,230

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	Beginning Balance	Increases Transfers	Decreases Transfers	Ending Balance
Golf Course:				
Capital assets being depreciated				
Buildings	\$ 1,258,259	\$ -	\$ -	\$ 1,258,259
Golf Course improvements	1,355,456	-	-	1,355,456
Equipment	1,166,821	91,207	(5,795)	1,252,233
Total capital assets, being depreciated	3,780,536	91,207	(5,795)	3,865,948
Less accumulated depreciation for				
Buildings	(593,434)	(28,115)	-	(621,549)
Golf Course improvements	(771,904)	(90,364)	-	(862,268)
Equipment	(952,411)	(81,410)	5,795	(1,028,026)
Total accumulated depreciation	(2,317,749)	(199,889)	5,795	(2,511,843)
Total capital assets being depreciated, net	1,462,787	(108,682)	-	1,354,105
Golf Course capital assets, net	<u>\$ 1,462,787</u>	<u>\$ (108,682)</u>	<u>\$ -</u>	<u>\$ 1,354,105</u>
Business-type activities capital assets, net	<u>\$ 304,999,523</u>	<u>\$ 26,092,940</u>	<u>\$ (22,281,279)</u>	<u>\$ 307,436,081</u>

Note 5 - Leases

1. Lessee

For the year ended September 30, 2023, 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, 2023, the County was lessee for the following eleven leases:

Brixmor Property Group: On 10/01/2021, Martin County recognized a remaining 40 month lease as Lessee for the use of 3,000 square feet of building space in Palm City for a Tax Collector branch office. An initial lease liability was recorded in the amount of \$201,872. As of 09/30/2023, the value of the lease liability is \$84,782. Martin County is required to make monthly fixed payments through January 31, 2025. The lease has an interest rate of 3.0000%. The value of the right to use asset as of 09/30/2023 of \$201,872 with accumulated amortization of \$121,123.

Jeffrey H. Sands: On 10/01/2021, Martin County recognized a remaining 48 month lease as 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 liability was recorded in the amount of \$166,233. As of 09/30/2023, the value of the lease liability is \$87,651. Martin County is required to make monthly fixed payments through September 30, 2025. The lease has an interest rate of 3.0000%. The value of the right to use asset as of 09/30/2023 of \$166,233 with accumulated amortization of \$83,117.

Hobe Sound-1, LLC: On 11/01/2021, Martin County recognized a remaining 60 month lease as Lessee for the

Martin County, Florida
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use of Island Crossing Shopping Center – Phase 2, for Clerk and Tax Collector branch offices. An initial lease liability was recorded in the amount of \$703,261. As of 09/30/2023, the value of the lease liability is \$446,328. Martin County is required to make monthly fixed payments through October 31, 2026. The lease has an interest rate of 3.0000%. The value of the right to use asset as of 09/30/2023 of \$703,261 with accumulated amortization of \$269,583.

Dell Marketing, LP: On 03/01/2022, Martin County, FL entered into a 36 month lease as Lessee for the use of of APEX private cloud for Tax Collector. An initial lease liability was recorded in the amount of \$125,183. As of 09/30/2023, the value of the lease liability is \$59,227. Martin County is required to make monthly fixed payments through February 28, 2025. The lease has an interest rate of 0.2400%. The value of the right to use asset as of 09/30/2023 of \$142,409 with accumulated amortization of \$75,160.

American Towers: On 10/01/2021, Martin County recognized a remaining 188 month lease as Lessee for the use of communications tower and surrounding parcel of land. An initial lease liability was recorded in the amount of \$332,224. As of 09/30/2023, the value of the lease liability is \$313,272. Martin County is required to make monthly fixed payments through May 31, 2037. The lease has an interest rate of 3.0000%. The value of the right to use asset as of 09/30/2023 of \$332,224 with accumulated amortization of \$42,412 is included with Equipment.

AT&T Wireless Services (AWS): On 10/01/2021, Martin County recognized a remaining 60 month lease as Lessee for the use of a communications tower and surrounding parcel of land. An initial lease liability was recorded in the amount of \$94,741. As of 09/30/2023, the value of the lease liability is \$60,913. Martin County is required to make monthly fixed payments through September 30, 2026. The lease has an interest rate of 3.0000%. The value of the right to use asset as of 09/30/2023 of \$94,741 with accumulated amortization of \$37,896.

The Huntington National Bank: On 10/01/2021, Martin County recognized a remaining 38 month lease as Lessee for the use of of seventy-five EZ-GO golf carts with GPS. An initial lease liability was recorded in the amount of \$160,138. As of 09/30/2023, the value of the lease liability is \$60,773. Martin County is required to make monthly fixed payments through November 30, 2024. The lease has an interest rate of 3.0000%. The value of the right to use asset as of 09/30/2023 of \$160,138 with accumulated amortization of \$101,140.

Turf Tank: On 08/01/2023, Martin County entered into a 72 month lease as Lessee for the use of of GPS line marking robot. An initial lease liability was recorded in the amount of \$89,621. As of 09/30/2023, the value of the lease liability is \$73,892. Martin County is required to make annual fixed payments through July 31, 2029. The lease has an interest rate of 2.7200%. The value of the right to use asset as of 09/30/2023 of \$91,121 with accumulated amortization of \$2,531.

Axon Enterprises: On October 1, 2021, the Sheriff recognized a 5-year lease as a lessee for the use of Axon TASER 7's. An initial lease payable was recorded in the amount of \$561,236. This lease was modified and amended to include additional equipment. On 12/01/2022, the Sheriff entered into a 120 month lease as Lessee for the use of Axon TASER 7's and body cameras. An initial lease liability was recorded in the amount of \$9,245,778. As of 09/30/2023, the value of the lease liability is \$8,309,605. The Sheriff is required to make fixed payments through November 30, 2032. The lease has an interest rate of 1.2840%. The value of the right to use asset as of 09/30/2023 of \$9,245,778 with accumulated amortization of \$770,468 is included with Equipment.

JP Leasing Corp.: On 11/01/2022, the Sheriff entered into a 48 month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$196,188. As of 09/30/2023, the value of the lease liability is \$153,047. The Sheriff is required to make monthly fixed payments through October 31, 2026. The lease has an interest rate of 3.2690%. The value of the right to use asset as of 09/30/2023 of \$196,188 with accumulated amortization of \$44,960.

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Dell Financial Services: On 10/01/2021, the Sheriff entered into a 35 month lease as Lessee for the use of Dell hardware. An initial lease liability was recorded in the amount of \$69,697. As of 09/30/2023, the value of the lease liability is \$3,474. The Sheriff is required to make annual fixed payments through August 31, 2024. The lease has an interest rate of 3.0000%. The value of the right to use asset as of 09/30/2023 of \$69,697 with accumulated amortization of \$47,792. This lease has the option to purchase the Equipment for \$1.

The following is a summary of leased asset activity for the year ended September 30, 2023:

Governmental activities:	Beginning Balance	Increases	Decreases	Total
Right of use assets				
Right of use buildings	\$ 1,083,130	\$ -	\$ 11,763	\$ 1,071,367
Right of use equipment	1,362,013	9,533,087	562,804	10,332,296
Total right of use assets	2,445,143	9,533,087	574,567	11,403,663
Less accumulated amortization				
Accumulated amortization, building leases	(242,855)	(242,772)	11,802	(473,825)
Accumulated amortization, equipment leases	(315,943)	(973,695)	173,634	(1,116,004)
Total less accumulated amortization	(558,798)	(1,216,467)	185,436	(1,589,829)
Total right of use assets, net	<u>\$ 1,886,345</u>	<u>\$ 8,316,620</u>	<u>\$ 760,003</u>	<u>\$ 9,813,834</u>

An initial lease liability was recorded in the amount of \$11,409,402. As of September 30, 2023, the value of the lease liability is \$9,652,964. The County makes monthly payments ranging from \$1,333 to \$10,450 through the terms of the leases for all except Sheriff leases that have annual payments ranging from \$34,536 to \$983,573. The leases have interest rates ranging from 0.24% to 3.00%. The value of the right of use assets as of September 30, 2023, is \$11,403,663 with accumulated amortization of \$1,589,827.

Amortization expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 330,396
Public Safety	835,501
Culture and recreation	50,570
Total amortization expense - governmental activities	<u>\$ 1,216,467</u>

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, 2023, 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, 2023, the County was lessor for the following seven leases:

Liberator Medical Supply: On 10/01/2021, Martin County, FL recognized a remaining 6-year lease as Lessor for the use of two buildings at Witham Field Airport. An initial lease receivable was recorded in the amount of

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\$1,323,641. As of 09/30/2023, the value of the lease receivable is \$985,293. The lessee is required to make monthly fixed payments through September 30, 2027. The lease has an interest rate of 3.0000%. The value of the deferred inflow of resources as of 09/30/2023 was \$882,427, and Martin County, FL recognized lease revenue of \$220,607 during the fiscal year.

House of Hope: On 10/01/2021, Martin County, FL recognized a remaining 107 month lease as Lessor for the use of a historic building for a community center in Golden Gate. An initial lease receivable was recorded in the amount of \$56,294. As of 09/30/2023, the value of the lease receivable is \$43,338. The lessee is required to make annual fixed payments through August 31, 2030. The lease has an interest rate of 3.0000%. The value of the deferred inflow of resources as of 09/30/2023 was \$43,667, and Martin County, FL recognized lease revenue of \$6,313 during the fiscal year.

U.S. Customs and Border Patrol: On 10/01/2021, Martin County, FL recognized a remaining 17-year lease as Lessor for the use of a communications tower and surrounding parcel of land. An initial lease receivable was recorded in the amount of \$27,329. As of 09/30/2023, the value of the lease receivable is \$25,593. The lessee is required to make monthly fixed payments through September 30, 2038. The lease has an interest rate of 3.0000%. The value of the deferred inflow of resources as of 09/30/2023 was \$24,114, and Martin County, FL recognized lease revenue of \$1,608 during the fiscal year. The lessee has 1 extension option(s), each for 120 months.

Central Florida Cellular: On 10/01/2021, Martin County, FL recognized a remaining 54 month lease as Lessor for the use of a communications tower and surrounding parcel of land. An initial lease receivable was recorded in the amount of \$41,406. As of 09/30/2023, the value of the lease receivable is \$23,823. The lessee is required to make monthly fixed payments through March 31, 2026. The lease has an interest rate of 3.0000%. The value of the deferred inflow of resources as of 09/30/2023 was \$23,003, and Martin County, FL recognized lease revenue of \$9,201 during the fiscal year.

Verizon: On 10/01/2021, Martin County, FL recognized a remaining 12-year lease as Lessor for the use of a communications tower and surrounding parcel of land. An initial lease receivable was recorded in the amount of \$262,354. As of 09/30/2023, the value of the lease receivable is \$226,861. The lessee is required to make semi-annual fixed payments through September 30, 2033. The lease has an interest rate of 3.0000%. The value of the deferred inflow of resources as of 09/30/2023 was \$218,628, and Martin County, FL recognized lease revenue of \$21,863 during the fiscal year.

New Cingular Wireless PCS, LLC: On 08/19/2022, Martin County, FL recognized a remaining 10-year lease as Lessor for the use of a communications tower and surrounding parcel of land. An initial lease receivable was recorded in the amount of \$240,767. As of 09/30/2023, the value of the lease receivable is \$198,392. The lessee is required to make annual fixed payments through August 18, 2032. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 09/30/2023 was \$213,882, and Martin County, FL recognized lease revenue of \$24,077 during the fiscal year. The lessee has 3 extension option(s), each for 120 months.

Halpatiokee Outdoor Center, LLC: On 09/28/2023, Martin County, FL entered into a 10-year lease as Lessor for the use of a building facility at Halpatiokee park. An initial lease receivable was recorded in the amount of \$415,906. As of 09/30/2023, the value of the lease receivable is \$415,906. The lessee is required to make monthly fixed payments through September 27, 2023. The lease has an interest rate of 2.7600%. The value of the deferred inflow of resources as of 09/30/2023 was \$415,559, and Martin County, FL recognized lease revenue of \$347 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

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Classification	Term Range	Lease Receivable as of	Lease Receivable as of
		Commencement Date	September 30, 2023
Buildings	6 - 17 years	\$ 1,823,170	\$ 1,470,130
Equipment	4 - 12 years	544,527	449,076
		<u>\$ 2,367,697</u>	<u>\$ 1,919,206</u>

Year Ending September 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 88,048	\$ 25,356	\$ 113,404	\$ 224,001	\$ 26,495	\$ 250,496
2025	95,153	23,566	118,719	238,433	19,578	258,011
2026	94,286	20,822	115,108	253,533	12,219	265,752
2027	93,338	18,185	111,523	269,327	4,397	273,724
2028	97,440	15,474	112,914	-	-	-
2029-2033	454,159	34,777	488,936	-	-	-
2034-2038	11,488	919	12,407	-	-	-
Total	<u>\$ 933,912</u>	<u>\$ 139,099</u>	<u>\$ 1,073,011</u>	<u>\$ 985,294</u>	<u>\$ 62,689</u>	<u>\$ 1,047,983</u>

The combined initial lease receivable was \$2,367,697 ; as of September 30, 2023, the value of the lease receivable is \$1,919,206. The leases all have an interest rate between 2.76% and 3.00%. The value of the deferred inflow of resources as of September 30, 2023 was \$1,821,280, and the County recognized lease revenue of \$284,016 during the fiscal year

Note 6 - Subscription Based Information Technology Agreements

For the year ended September 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below. For the year ended September 30, 2023, the County had the following four subscription agreements:

Grant Street Group, Inc.: On 10/01/2022, Martin County, FL Tax Collector entered into a 24 month subscription for the use of Grant Street Tax Collection and Billing System. An initial subscription liability was recorded in the amount of \$513,067. As of 09/30/2023, the value of the subscription liability is \$256,277. The Tax Collector is required to make annual fixed payments through September 30, 2024. The subscription has an interest rate of 3.2067%. The value of the right to use asset as of 09/30/2023 of \$763,067 with accumulated amortization of \$381,534.

On 10/01/2022, Martin County, FL Sheriff entered into a 40 month subscription for the use of security software. An initial subscription liability was recorded in the amount of \$280,123. As of 09/30/2023, the value of the subscription liability is \$207,807. The Sheriff is required to make annual fixed payments through January 31,

Martin County, Florida
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2026. The subscription has an interest rate of 3.2380%. The value of the right to use asset as of 09/30/2023 of \$280,273 with accumulated amortization of \$84,082.

SHI International Corp.: On 01/01/2023, Martin County, FL Sheriff entered into a 48 month subscription for the use of Microsoft Solutions. An initial subscription liability was recorded in the amount of \$876,417. As of 09/30/2023, the value of the subscription liability is \$647,848. The Sheriff is required to make annual fixed payments through December 31, 2026. The subscription has an interest rate of 2.8943%. The value of the right to use asset as of 09/30/2023 of \$876,417 with accumulated amortization of \$164,328. The Sheriff has 1 extension option(s), each for 36 months.

Pictometry International Corp.: On 03/14/2023, Martin County, FL Property Appraiser entered into a 36 month subscription for the use of Pictometry Software. An initial subscription liability was recorded in the amount of \$375,836. As of 09/30/2023, the value of the subscription liability is \$375,836. The Property Appraiser is required to make annual fixed payments through March 13, 2026. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of 09/30/2023 of \$375,836 with accumulated amortization of \$68,555.

	Beginning Balance	Increases	Decreases	Total
Governmental activities:				
Right to use, subscriptions				
Subscription assets	\$ -	\$ 2,295,594	\$ -	\$ 2,295,594
Total right to use, subscriptions	-	2,295,594	-	2,295,594
Less accumulated amortization				
Accumulated amortization, subscription assets	-	(698,499)	-	(698,499)
Total less accumulated amortization	-	(698,499)	-	(698,499)
Total right to use, subscriptions, net	\$ -	\$ 1,597,095	\$ -	\$ 1,597,095
Governmental activities:				
General government	\$	450,089		
Public Safety		248,410		
Total amortization expense - governmental activities	\$	698,499		

The combined initial subscription liability was \$2,045,444; as of September 30, 2023, the value of the subscription liability is \$1,487,768. The subscriptions have an interests rates ranging from 3.00% to 3.24%. The value of the subscription assets as of September 30, 2023, is \$2,295,594 with accumulated amortization of \$698,499.

Martin County, Florida
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Note 7 - Fund Balance Deficits

The following funds had a fund balance deficit at September 30, 2023:

Federal Grants	\$ 2,849,292
Other State Grants	\$10,660,373
Local Grants	\$ 602,500

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 8 - Long-Term Obligations

Long-term obligations for the governmental funds at September 30, 2023, are comprised of the following:

Compensated Absences	<u>\$ 19,758,407</u>

Long term leases:

The County has entered into eleven leases as lessee. See Note 5, Leases, for details.	<u>9,652,962</u>

Subscriptions:

The County has entered into four subscription agreements. See Note 6, Subscriptions, for details.	<u>1,487,768</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; and an Energy Performance contract with Trane for the Martin County Jail. In addition, the Sheriff has leases for a CAD system, a 2020 H125 Airbus helicopter and mission equipment, and Bomb Squad equipment, as well as, two new leases this fiscal year for Forensic Science equipment and for Dell computers. 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 6.085%. Assets acquired have a cost of \$36,236,275 and a net book value of \$21,783,660.

	<u>16,877,361</u>

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September 30, 2023

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, 2023, principal and interest remaining totaled \$7,731,426. For the year ended September 30, 2023, principal and interest payments were \$2,577,695.

7,481,000

\$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, 2023, principal and interest remaining on this note totaled \$2,261,529. For the year ended September 30, 2023, principal and interest payments were \$251,192.

1,987,000

\$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, 2023, principal and interest remaining on this note totaled \$1,537,200. For the year ended September 30, 2023, principal and interest payments were \$170,388.

1,270,000

\$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, 2023, principal and interest remaining on this note totaled \$2,236,608. For the year ended September 30, 2023, principal and interest payments were \$447,124.

2,058,000

Martin County, Florida
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\$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, 2023, principal and interest remaining on this note totaled \$926,410. For the year ended September 30, 2023, principal and interest payments were \$308,767. 897,986

\$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, 2023, principal and interest remaining on this note totaled \$12,977,019. For the year ended September 30, 2023, principal and interest payments were \$1,300,010. 10,991,000

\$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, 2023, principal and interest remaining on this note totaled \$4,663,397. For the year ended September 30, 2023, principal and interest payments were \$291,861. 3,627,676

\$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, 2023, principal and interest remaining on this note totaled \$47,323,300. For the year ended September 30, 2023, principal and interest payments were \$2,957,750. 33,880,000

Total Revenue Notes and Bonds \$ 62,192,662

Unamortized premium 3,540,886

Total long-term obligations \$ 113,510,046

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Total pledged revenues recognized for the North River Shores MSBU Special Assessment Note were \$188,055. Principal and interest payments for the year for that note were \$291,861. Total pledged revenues recognized during the fiscal year for the County's Gas Tax Debt were \$8,698,915. Principal and interest payments for the year for the 2014 Gas Tax Refunding Revenue Note were \$2,577,695. Total pledged revenues recognized during the fiscal year for the County's Half Cent Sales Tax Revenue Bond were \$21,708,437, and principal and interest payments for the year were \$2,957,750. Total pledged revenues recognized for the remaining revenue notes were \$131,256,413 with principal and interest payments for the year totaling \$2,477,481.

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		Subscriptions	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 6,020,359	\$ 2,283,437	\$ 3,239,443	\$ 403,116	\$ 1,312,419	\$ 140,296	\$ 656,510	\$ 41,656
2025	6,207,294	2,093,628	3,227,958	322,470	1,222,514	117,750	409,729	23,941
2026	6,408,367	1,897,200	2,818,560	240,605	1,150,447	97,970	421,529	12,141
2027	3,688,468	1,725,635	1,843,975	176,650	959,063	81,394	-	-
2028	3,833,327	1,579,820	1,644,257	137,056	955,912	68,741	-	-
2029-2033	18,806,839	5,617,490	4,103,168	247,534	3,928,454	151,353	-	-
2034-2038	14,075,208	2,172,094	-	-	124,153	7,318	-	-
2039-2043	3,152,800	94,923	-	-	-	-	-	-
	<u>\$ 62,192,662</u>	<u>\$ 17,464,227</u>	<u>\$ 16,877,361</u>	<u>\$ 1,527,431</u>	<u>\$ 9,652,962</u>	<u>\$ 664,822</u>	<u>\$ 1,487,768</u>	<u>\$ 77,738</u>

Changes in governmental activities' long-term liabilities for the year-ended September 30, 2023, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 17,853,322	\$ 10,238,358	\$ (8,333,273)	\$ 19,758,407	\$ 6,995,000
Long-term leases	1,877,815	9,531,587	(1,756,440)	9,652,962	1,312,419
Financed purchase agreements	24,691,686	542,782	(8,357,107)	16,877,361	3,239,443
Subscriptions	-	2,045,444	(557,676)	1,487,768	656,510
Revenue bonds/notes	68,049,934	-	(5,857,272)	62,192,662	6,020,359
Unamortized premiums	4,206,906	-	(666,020)	3,540,886	516,932
Total liabilities	<u>\$ 116,679,663</u>	<u>\$ 22,358,171</u>	<u>\$ (25,527,788)</u>	<u>\$ 113,510,046</u>	<u>\$ 18,740,663</u>

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

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Note 9 - Long-Term Liabilities - Enterprise Funds

Long-term liabilities at September 30, 2023 in the Enterprise Funds consist of the following:

Compensated Absences	\$ 897,225

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 through 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.	38,890,000

\$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>2,090,000</u>

Total Revenue Bonds	<u>40,980,000</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%.	352,747

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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 principal amount of the loan is \$9,191,946. The interest rate on the loan is 0.00%. Semi-annual payments of \$230,950 will be repaid until 2042.

8,823,213

Total State Revolving Fund Loans

9,175,960

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:

5,239,465

Total Revenue Bonds, State Revolving Fund Loan, and Advances

55,395,425

Unamortized premium

5,109,176

Landfill Closure Costs

8,100,195

Total long-term obligations

\$ 69,502,021

The revenue bonds include restrictive covenants which require the establishment and maintenance of various reserve and bond service accounts and governs the flow of funds with respect to such accounts. In addition, covenants generally require the Department to establish rates and fees sufficient to provide net revenues and special assessments equal to 110% of the annual debt service requirements, or rates and fees sufficient to provide net revenues, capital facilities charges and special assessments equal to 120% of annual debt service requirements. Based on the interpretations of the Resolutions, the Department's pledged revenues recognized during the period were approximately \$27,877,675 with capital facilities charges and \$23,289,704 exclusive of

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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:

	Business-type Activities Water & Sewer Utilities Bonds, Loan, and Advances		
Year Ending September 30,	Principal	Interest	Amount
2024	\$ 6,175,945	\$ 1,938,126	\$ 8,114,071
2025	6,582,834	1,715,721	8,298,555
2026	6,682,818	1,432,047	8,114,865
2027	3,312,072	265,943	3,578,015
2028	3,441,843	246,172	3,688,015
2029-2033	16,675,228	1,046,335	17,721,563
2034-2038	9,187,087	798,654	9,985,741
2039-2043	3,337,598	48,425	3,386,023
	<u>\$ 55,395,425</u>	<u>\$ 7,491,423</u>	<u>\$ 62,886,848</u>

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Changes in long-term liabilities for the year ended September 30, 2023, were as follows:

	Balance 9/30/2022	Additions	Reductions	Balance 9/30/2023	Due Within One Year
Water/Sewer Utilities					
Revenue Bonds					
Series 2016A	\$ 40,310,000	\$ -	\$ (1,420,000)	\$ 38,890,000	\$ 2,935,000
Series 2016B	5,540,000	-	(3,450,000)	2,090,000	2,090,000
Plus (Less):					
Unamortized premium	5,445,838	-	(336,662)	5,109,176	-
Total revenue bonds	51,295,838	-	(5,206,662)	46,089,176	5,025,000
State Revolving Fund loan WWG12063607P -ST	522,071	-	(169,324)	352,747	173,980
State Revolving Fund loan Golden Gate -ST	6,757,236	2,434,710	(368,733)	8,823,213	278,061
Total long-term debt	58,575,145	2,434,710	(5,744,719)	55,265,136	5,477,041
Other Liabilities:					
Compensated absences	661,143	15,481	-	676,624	584,943
Total long-term liabilities Water/Sewer Utilities	59,236,288	2,450,191	(5,744,719)	55,941,760	6,061,984
Solid Waste:					
Compensated absences	153,409	12,374	-	165,783	110,645
Landfill closure costs	8,149,987	-	(49,792)	8,100,195	656,701
Total long-term liabilities Solid Waste	8,303,396	12,374	(49,792)	8,265,978	767,346
Airport					
Compensated absences	51,679	-	(9,660)	42,019	26,340
Golf-Course					
Compensated absences	9,476	3,323	-	12,799	7,000
Total long-term liabilities business-type activities	\$ 67,600,839	\$ 2,465,888	\$ (5,804,171)	\$ 64,262,556	\$ 6,862,670

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Note 10 -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, 2023, 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 \$49,792 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 11 -Capital Contributions

Capital contributions in Water/Sewer Utilities fund consist of monies received, and capital assets contributed. The additions during fiscal year 2023 consisted of \$3,952,852 in cash, \$5,036,260 in capital assets (\$167,926 in easements and \$4,868,334 in developer contributions), and no new special assessment revenue was recognized. Capital contributions recognized in the Airport fund totaled \$4,491,907 and consisted of capital grants. Capital contributions in the Golf Course fund consists of capital assets contributed in the amount of \$91,207.

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Note 12 - Interfund Transfers

Interfund transfers for the year ended September 30, 2023, 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	\$ -	\$ 300,000	\$ -	\$ -	\$ 1,551,782	\$ -	\$ 1,851,782
Consolidated Fire/MSTU	1,500,000	-	-	-	-	-	1,500,000
Federal Grants	79,274	-	-	-	454,236	-	533,510
Other State Grants	65,677	-	-	-	150,130	-	215,807
County Buildings	8,929,509	-	17,855	-	-	-	8,947,364
Nonmajor Governmental Funds	5,198,308	2,173,540	14,000	500,000	4,752,641	297,615	12,936,104
Nonmajor Business-type Funds	130,699	-	-	-	-	-	130,699
Total Interfund Transfers	<u>\$ 15,903,467</u>	<u>\$ 2,473,540</u>	<u>\$ 31,855</u>	<u>\$ 500,000</u>	<u>\$ 6,908,789</u>	<u>\$ 297,615</u>	<u>\$ 26,115,266</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 2023, the County transferred capital assets with a net book value of \$91,207 to the Golf Course and \$1,763,040 to Utilities, from governmental activities to the business type activities, and \$45,307 from the Airport to the County, from business type activities to governmental 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.

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Note 13 -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 9.39% of taxable value.

Note 14 -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

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personal property taxes levied by the total County millage for the same parcel. The negotiated fixed millage rate is set forth in the terms of each individual agreement.

In June 2015 the Board of County Commissioners approved a five year agreement with Florida Power and Light (FPL) with an effective date of January 1, 2016, through December 31, 2020, to provide grants in reimbursement of tangible personal property tax. In November 2018 the agreement was extended through December 31, 2023. The tangible personal property grant reimbursement FPL received in FY2023 is \$3,622,557. 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 2023 Tangible Personal Property Grant

Parcel 1000-6002-7823	2023 Taxable Value	2024 Millage	Total Taxes Due with 4% Early Pay Discount	Grant Amount
County Millage	\$ 711,280,018	0.00660170	\$ 4,507,831	
Grant Amount	711,280,018	0.00396102		\$ 2,704,699
Fire/Rescue Unincorporated MSTU Millage	711,280,018	0.00268840	1,835,717	
Grant Amount	711,280,018	0.00134420	-	917,858
Total FY23 FPL TPP Grant			<u>\$ 6,343,548</u>	<u>\$ 3,622,557</u>

Note 15 - Defined Benefit Pension Plan

Pension Expense/Expenditures

The County's aggregate pension expense/expenditures was an increase of \$35,378,133 for the fiscal year ended September 30, 2023. The County's aggregate net pension liability was \$258,360,204, with balances of deferred outflows of resources related to pensions of \$60,438,879 and deferred inflows of resources related to pensions of \$10,994,450 as of September 30, 2023.

	Net Pension Liability		
	FRS	HIS	Total
Board, including Enterprise Funds	\$ 103,302,642	\$ 30,807,516	\$ 134,110,158
Clerk	3,813,809	1,675,355	5,489,164
Property Appraiser	2,633,730	977,624	3,611,354
Sheriff	89,356,503	20,323,066	109,679,569
Supervisor of Elections	279,672	83,405	363,077
Tax Collector	3,708,464	1,398,418	5,106,882
Total	<u>\$ 203,094,820</u>	<u>\$ 55,265,384</u>	<u>\$ 258,360,204</u>

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	Changes in Net Pension Liability		
	<u>Beginning</u>	<u>Net Changes</u>	<u>Ending</u>
FRS	\$ 183,610,139	\$ 19,484,681	\$ 203,094,820
HIS	36,521,896	18,743,488	55,265,384
Total	<u>\$ 220,132,035</u>	<u>\$ 38,228,169</u>	<u>\$ 258,360,204</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 eight years, 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>10/01/22- 6/30/23</u>	<u>7/01/23- 9/30/23</u>
Regular	11.91 %	13.57 %
Senior Management	31.57 %	34.52 %
Special Risk	27.83 %	32.67 %
County Elected Officials	57.00 %	58.68 %
DROP	18.60 %	21.13 %

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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 \$25,781,538 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2023, the County reported a liability of \$203,094,820 for its proportionate share of the FRS Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The County's proportionate share was based on the County's 2022-23 fiscal year contributions relative to the 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the County's proportionate share was 0.5096887%, an increase of 0.0162197% over its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the County recognized an increase in pension expense of \$16,457,869 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	\$ 19,068,852	\$ -
Change of assumptions	13,239,405	-
Net difference between projected and actual earnings on Pension Plan investments	8,481,789	-
Changes in proportion and differences between County Pension Plan contributions and proportionate share of contributions	7,347,910	(5,848,221)
County Pension Plan contributions subsequent to the measurement date	7,221,235	-
Total	<u>\$ 55,359,191</u>	<u>\$ (5,848,221)</u>

The deferred outflows of resources related to the FRS Pension Plan, totaling \$7,221,235 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, 2024. 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>
2024	\$ 8,305,672
2025	5,707,315
2026	(759,242)
2027	25,184,797
2028	2,779,549
Thereafter	1,071,644
Total	<u>\$ 42,289,735</u>

Martin County, Florida
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Actuarial Assumptions

The total pension liability in the July 1, 2023, 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, 2023, 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 2023: the long-term expected rate of return and the discount rate used to determine the total pension liability remained at 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 %	2.9 %	1.1 %
Fixed Income	19.8 %	4.5 %	4.4 %	3.4 %
Global equity	54.0 %	8.7 %	7.1 %	18.1 %
Real estate (property)	10.3 %	7.6 %	6.6 %	14.8 %
Private equity	11.1 %	11.9 %	8.8 %	26.3 %
Strategic investments	3.8 %	6.3 %	6.1 %	7.7 %
Total	100.0 %			
Assumed Inflation - Mean			2.4 %	1.4 %

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

Martin County, Florida
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the long-term expected rate of return.

Sensitivity of the Department's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Department's proportionate share of the net pension liability calculated using the discount rate of 6.70%, 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 (5.70%) or one percentage point higher (7.70%) 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	\$ 346,927,307	\$ 203,094,820	\$ 82,761,734

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, 2023, 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, 2023, the HIS Plan contribution for the period October 1, 2022, through September 30, 2023, was 1.66%. 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 \$2,446,124 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2023, the County reported a liability of \$55,265,384 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. 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, 2023, the County's proportionate share was 0.34798956%, a decrease of 0.00317004 over its proportionate share measured as of June 30, 2022.

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For the fiscal year ended September 30, 2023, the County recognized pension expense of \$18,920,264 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	\$ 809,048	\$ (129,716)
Change of assumptions	1,452,910	(4,788,931)
Net difference between projected and actual earnings on pension plan investments	28,540	-
Changes in proportion and differences between county pension plan contributions and proportionate share of contributions	2,072,323	(227,582)
County pension plan contributions subsequent to the measurement date	<u>716,867</u>	<u>-</u>
Total	<u>\$ 5,079,688</u>	<u>\$ (5,146,229)</u>

The deferred outflows of resources related to the FRS Pension Plan, totaling \$716,867 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the FRS Pension Plan will be recognized in pension expense as follows:

September 30:	Amount
2024	\$ (116,762)
2025	46,605
2026	198,654
2027	(56,260)
2028	(502,311)
Thereafter	<u>(353,334)</u>
Total	<u>\$ (783,408)</u>

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	3.65 % 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, 2023, 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 2023: the long-term expected rate of return and

Martin County, Florida
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the discount rate used to determine the HIS portion of the total pension liability was increased from 3.54% to 3.65%, and the active member mortality assumption remained the same.

Discount Rate - The discount rate used to measure the total pension liability was 3.65%. 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 3.65%, 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 (2.65%) or one percentage point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
County's proportionate share of the net pension liability	\$ 63,049,178	\$ 55,265,384	\$ 48,813,141

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 2022-23 fiscal years, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 11.30%, Special Risk Administrative Support class 12.95%, Special Risk class 19%, Senior Management Service class 12.67% and County Elected Officers class 16.34%.

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For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2023, 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 16 - 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, 652 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

Martin County, Florida
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to that date will be grandfathered and continue to receive the subsidy of the County paying 75% of insurance cost regardless of the level of coverage (including any dependent coverage). Firefighters who retired after September 30, 2011, will not receive any direct subsidy to dependent coverage; however, the County will continue paying 75% of single premiums until the retiree attains Medicare eligibility. For retirees eligible for Medicare, the County will contribute 25% of the applicable single premium.

The Sheriff's Office provides postretirement health care benefits, in accordance with state statutes, to all employees who retire from the Sheriff's Office after vesting with the state of Florida Retirement System (FRS). Currently, 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 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, 2023, 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:

	Fire Rescue		
	Agencies	IAFF	Sheriff
Monthly Minimum	\$ 95	\$ 95	\$ 208
Monthly Maximum	\$ 1,835	\$ 1,376	\$ 2,251

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 \$4.2 million for this purpose; interest totaling \$28,548 had accrued as of September 30, 2023. The Sheriff's Department has no internal assignment for OPEB.

For the fiscal year ended September 30, 2023, the County provided explicit subsidy contributions of \$3,223,421 to cover retired employees and \$3,196,020 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 2023, the Enterprise Funds portion of the OPEB liability is being recorded in the Proprietary Fund Statements.

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As of September 30, 2022, 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, 2022
Measurement date of the total OPEB liability	September 30, 2022
Employer's reporting date	September 30, 2023
Actuarial cost method	Entry Age Normal

Discount Rate: The discount rate of 4.40% 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 4.0% 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, 2022 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.

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Changes Since the Prior Valuation: Changes in assumptions and other inputs include the change in the discount rate from 2.19% as of September 30, 2021, to 4.40% as of September 30, 2022. 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, 2023, the County reported a total OPEB liability of \$137,600,546. 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, 2022, measurement date.

	Total OPEB Liability
Board, including Enterprise Funds	\$ 53,380,322
Clerk	5,717,340
Property Appraiser	1,894,497
Sheriff	73,236,025
Supervisor of Elections	235,590
Tax Collector	3,136,772
Total	<u>\$137,600,546</u>

Changes in Total OPEB Liability

The County's changes in total OPEB liability for the year ended September 30, 2022 (measurement date), were as follows:

Service Cost	\$ 4,766,349
Interest on the total OPEB liability	3,993,108
Changes in assumptions and other inputs	(45,702,810)
Benefit payments	<u>(6,046,901)</u>
Net change in total OPEB liability	<u>\$ (42,990,254)</u>

Sensitivity of the Total OPEB Liability

The following table represents the County's total OPEB liability calculated using the discount rate of 4.40%, 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 (3.40%) or one percentage point higher (5.40%) than the current rate:

	1% Decrease (3.40%)	Current Discount Rate (4.40%)	1% Increase (5.40%)
Total OPEB Liability	\$156,000,409	\$137,600,546	\$122,237,512

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

	1% Decrease	Current Ultimate Trend Rate	1% Increase
Total OPEB Liability	\$118,927,971	\$137,600,546	\$161,005,611

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

For the fiscal year ended September 30, 2023, the County recognized OPEB expense as follows:

Service cost	\$ 4,766,349
Interest on the total OPEB liability	3,993,108
Recognition of outflow/inflow of resources due to liabilities	(5,986,392)
Total	<u>\$ 2,773,065</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	\$ 8,121,836	\$ 310,505	\$ 1,592,872	\$ 10,025,213
Changes in assumptions and other inputs	5,052,767	193,172	717,510	5,963,449
Benefits paid after the measurement date	3,104,725	118,696	3,196,020	6,419,441
Total	<u>\$ 16,279,328</u>	<u>\$ 622,373</u>	<u>\$ 5,506,402</u>	<u>\$ 22,408,103</u>

	Deferred Inflows of Resources			
	Agencies Without Enterprise	Enterprise Funds	Sheriff	Total
Difference between expected and actual experience	\$ -	\$ -	\$ -	\$ -
Changes in assumptions and other inputs	29,749,372	1,137,345	29,317,028	60,203,745
Total	<u>\$ 29,749,372</u>	<u>\$ 1,137,345</u>	<u>\$ 29,317,028</u>	<u>\$ 60,203,745</u>

The deferred outflows of resources related to OPEB resulting from County contributions paid subsequent to the measurement date total \$6,419,441 and will be recognized as a reduction of the total OPEB liability in the fiscal year ending September 30, 2024.

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September 30, 2023

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
2024	\$ (5,986,392)
2025	(5,986,392)
2026	(5,278,206)
2027	(4,236,813)
2028	(3,532,635)
Thereafter	(19,194,645)
Total	<u>(44,215,083)</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, 2022, the average of the expected remaining service lives is 10.5 years for Agency employees and 9.5 years for employees of the Sheriff's Office.

Note 17 - 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

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September 30, 2023

reasonably estimated. Employee health liabilities include an amount for claims that have been incurred but not reported and also any administrative costs reported as accounts payable at year end. Estimates of claims liabilities are determined using actuarial methods and experience of claims history.

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

Accounts payable & accrued insurance claims at October 1, 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	2,129,902
Expenses incurred	49,064,895
Claims paid	<u>(49,027,632)</u>
Accounts payable & accrued insurance claims at September 30, 2023	<u>\$ 2,167,165</u>

Note 18 -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 19 -Subsequent Event

On March 15, 2024, the County entered into a Lease Purchase Agreement with Banc of America Public Capital Corp to finance the purchase of fire equipment. The equipment includes an E-One Typhoon Pumper Truck and an E-One Typhoon 75' Ladder Truck for a total of \$2,216,640. Payments are due semi-annually May 1, 2024 to May 1, 2030 at the contract rate of 3.9228%.

Note 20 -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 100, Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62, is effective for reporting periods beginning after June 15, 2023. The objective of this Statement is to enhance the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing

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accountability. The County is aware of this statement and will assess its impact to ensure timely implementation.

GASB 101, Compensated Absences, is effective for reporting periods beginning after December 15, 2023. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The County is aware of this statement and will assess its impact to ensure timely implementation.



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REQUIRED SUPPLEMENTARY
INFORMATION
(Unaudited)

Martin County, Florida
Required Supplementary Information (Unaudited)
September 30, 2023

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

Last 10 Fiscal Years¹

Measurement Year Ended September 30,	2022	2021	2020
Total OPEB liability:			
Service cost	\$ 4,766,349	\$ 5,428,730	\$ 5,063,860
Interest on the total OPEB liability	3,993,108	4,474,995	4,887,138
Difference between expected and actual experience of the total OPEB liability ²	-	6,399,648	-
Changes in assumptions and other inputs ³	(45,702,810)	(13,058,232)	3,238,073
Benefit payments	(6,046,901)	(5,820,054)	(5,347,200)
Net change in total OPEB liability	(42,990,254)	(2,574,913)	7,841,871
Total OPEB liability - beginning	180,590,800	183,165,713	175,323,842
Total OPEB liability - ending	<u>\$ 137,600,546</u>	<u>\$ 180,590,800</u>	<u>\$ 183,165,713</u>
Covered-employee payroll for the measurement period	\$ 112,851,075	\$ 105,573,079	\$ 116,500,509
Total OPEB liability as a percentage of covered-employee payroll	121.93 %	171.06 %	157.22 %

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, 2022, 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 2.19% at the beginning of the measurement period to 4.40% as of September 30, 2022.

Martin County, Florida

<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 4,554,660	\$ 4,788,408	\$ 5,144,071
6,172,603	5,720,398	5,227,897
9,201,131	-	-
1,215,401	(7,887,942)	(10,017,812)
<u>(4,859,717)</u>	<u>(4,465,311)</u>	<u>(5,935,446)</u>
16,284,078	(1,844,447)	(5,581,290)
159,039,764	160,884,211	166,465,501
<u>\$ 175,323,842</u>	<u>\$159,039,764</u>	<u>\$ 160,884,211</u>
\$ 111,865,282	\$104,033,520	\$ 98,632,591
156.73 %	152.87 %	163.11 %

Martin County, Florida
Required Supplementary Information (Unaudited)
September 30, 2023

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

Last 10 Fiscal Years*

	2023	2022	2021
Martin County's proportion of the net pension liability	0.509688711%	0.493469040%	0.488834729%
Martin County's proportionate share of the net pension liability	203,094,820	183,610,139	36,925,907
Martin County's covered payroll	\$ 138,611,552	\$ 126,184,900	\$ 120,683,029
Martin County's proportionate share of the net pension liability as a percentage of its covered payroll	146.52 %	145.51 %	30.60 %
Plan fiduciary net position as a percentage of the total pension liability	82.38 %	82.89 %	96.40 %

* The amounts presented for each fiscal year were determined as of June 30, 2023. 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*

	2023	2022	2021
Contractually required contribution	\$ 25,781,538	\$ 22,179,290	\$ 19,193,709
Contributions in relation to the contractually required contribution	(25,781,538)	(22,179,290)	(19,193,709)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Martin County covered payroll	\$ 140,464,841	\$ 131,383,654	\$ 121,769,740
Contributions as a percentage of covered payroll	18.35 %	16.88 %	15.76 %

* The amounts presented for each fiscal year were determined as of September 30, 2023. 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.

2020	2019	2018	2017	2016	2015	2014
0.521193850%	0.509115803%	0.489615465%	0.499175903%	0.501183440%	0.473666223%	0.480655463%
225,893,095	175,332,394	147,474,716	147,703,563	126,549,211	61,180,345	29,327,049
\$ 115,751,825	\$ 109,619,462	\$ 102,805,084	\$ 99,529,340	\$ 95,364,963	\$ 93,967,225	\$ 91,783,680
195.15 %	159.95 %	143.45 %	148.40 %	132.70 %	65.11 %	31.95 %
78.85 %	82.61 %	84.26 %	83.89 %	84.88 %	92.00 %	96.09 %

2020	2019	2018	2017	2016	2015	2014
\$ 17,522,378	\$ 16,281,660	\$ 14,320,988	\$ 12,980,128	\$ 12,533,055	\$ 11,723,425	\$ 14,737,469
(17,522,378)	(16,281,660)	(14,320,988)	(12,980,128)	(12,533,055)	(11,723,425)	(14,737,469)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 116,500,509	\$ 111,865,282	\$ 104,033,520	\$ 98,632,591	\$ 95,308,577	\$ 94,440,184	\$ 92,335,490
15.04 %	14.55 %	13.77 %	13.16 %	13.15 %	12.41 %	15.96 %

Martin County, Florida
Required Supplementary Information (Unaudited)
September 30, 2023

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

Last 10 Fiscal Years*

	2023	2022	2021
Martin County's proportion of the net pension liability	0.347989562	0.344819522%	0.339891590%
Martin County's proportionate share of the net pension liability	\$ 55,265,384	\$ 36,521,896	\$ 41,692,813
Martin County's covered payroll	\$ 138,611,552	\$ 126,184,900	\$ 120,683,029
Martin County's proportionate share of the net pension liability as a percentage of its covered payroll	39.87 %	28.94 %	34.55 %
Plan fiduciary net position as a percentage of the total pension liability	4.12 %	4.81 %	3.56 %

* The amounts presented for each fiscal year were determined as of June 30, 2023. 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
Health Insurance Subsidy Program

Last 10 Fiscal Years*

	2023	2022	2021
Contractually required contribution	\$ 2,446,124	\$ 2,168,302	\$ 2,016,356
Contributions in relation to the contractually required contribution	(2,446,124)	(2,168,302)	(2,016,356)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Martin County's covered payroll	\$ 140,464,841	\$ 131,383,654	\$ 121,769,740
Contributions as a percentage of covered payroll	1.74 %	1.65 %	1.66 %

* The amounts presented for each fiscal year were determined as of September 30, 2023. 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.

2020	2019	2018	2017	2016	2015	2014
0.332741937%	0.326851124%	0.314140395%	0.311620376%	0.308091335%	0.309027731	0.308202302%
\$ 40,627,249	\$ 36,571,370	\$ 33,248,972	\$ 33,319,888	\$ 35,906,770	\$ 31,515,967	\$ 28,817,667
\$ 115,751,825	\$ 109,619,462	\$ 102,805,084	\$ 99,529,340	\$ 95,364,963	\$ 93,967,225	\$ 91,783,680
35.10 %	33.36 %	32.34 %	33.48 %	37.65 %	33.54 %	31.40 %
3.00 %	2.63 %	2.15 %	1.64 %	0.50 %	0.50 %	0.99 %

2020	2019	2018	2017	2016	2015	2014
\$ 1,930,076	\$ 1,851,963	\$ 1,723,669	\$ 1,633,796	\$ 1,582,714	\$ 1,284,136	\$ 1,112,633
(1,930,076)	(1,851,963)	(1,723,669)	(1,633,796)	(1,582,714)	(1,284,136)	(1,112,633)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 116,500,509	\$ 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 %	1.66 %	1.36 %	1.20 %



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COMBINING BALANCE SHEETS

Martin County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023

	Special Revenue				
	District One MSTU	District Two MSTU	District Three MSTU	District Four MSTU	District Five MSTU
ASSETS					
Cash and cash equivalents	\$ 45,615	\$ 60,942	\$ 68,454	\$ 33,445	\$ 21,133
Investments	756,980	811,165	567,575	557,955	586,320
Accounts receivable	-	-	-	-	-
Assessments receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governmental agencies	-	-	-	-	-
Inventories	-	-	-	-	-
Assets held for resale or donation	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	\$ 802,595	\$ 872,107	\$ 636,029	\$ 591,400	\$ 607,453
LIABILITIES					
Accounts payable	\$ 6,496	\$ -	\$ 745	\$ -	\$ -
Accrued wages payable	-	-	-	-	-
Contracts payable - retainage	-	-	-	-	2,585
Due to other funds	-	-	-	-	-
Due to other governmental agencies	-	-	-	-	-
Total liabilities	6,496	-	745	-	2,585
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	-	-	50,000	-	295,306
Court operations	-	-	-	-	-
Capital projects	-	-	-	-	-
Other restricted purposes	-	-	-	-	-
Committed to:					
Ordinance/MSTU/Other	796,099	872,107	585,284	591,400	309,562
Ordinance/Judicial	-	-	-	-	-
Ordinance/Culture and recreation	-	-	-	-	-
Ordinance/CRA	-	-	-	-	-
Ordinance/Economic Development	-	-	-	-	-
Assigned to:					
Capital projects	-	-	-	-	-
Other assigned purposes	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	796,099	872,107	635,284	591,400	604,868
Total liabilities, deferred inflows and fund balances	\$ 802,595	\$ 872,107	\$ 636,029	\$ 591,400	\$ 607,453

Special Revenue

Unincorporated MSTUs	Other MSTUs	CRA Fund	SHIP - State Housing Grants	Local Grants
\$ 885,296	\$ 222,651	\$ 508,718	\$ 2,383,453	\$ 43,672
17,548,035	16,385,803	14,123,213	1,278,619	35,268
-	-	-	-	-
-	200,373	-	-	-
-	-	-	-	-
134,476	-	-	-	937,737
-	-	-	-	-
-	-	36,300	-	-
-	285	-	-	-
<u>\$ 18,567,807</u>	<u>\$ 16,809,112</u>	<u>\$ 14,668,231</u>	<u>\$ 3,662,072</u>	<u>\$ 1,016,677</u>
\$ 300,989	\$ 752,903	\$ 658,075	\$ 20,511	\$ 32,148
157,226	94,178	8,332	-	3,049
-	55,897	30,710	-	-
-	-	-	-	800,000
-	60,674	-	-	-
<u>458,215</u>	<u>963,652</u>	<u>697,117</u>	<u>20,511</u>	<u>835,197</u>
-	200,373	-	-	783,980
-	-	-	-	-
-	-	-	-	-
-	285	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	3,641,561	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
13,707,098	15,644,802	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	13,934,814	-	-
-	-	-	-	-
-	-	-	-	-
4,402,494	-	36,300	-	-
-	-	-	-	(602,500)
<u>18,109,592</u>	<u>15,645,087</u>	<u>13,971,114</u>	<u>3,641,561</u>	<u>(602,500)</u>
<u>\$ 18,567,807</u>	<u>\$ 16,809,112</u>	<u>\$ 14,668,231</u>	<u>\$ 3,662,072</u>	<u>\$ 1,016,677</u>

(continued)

Martin County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023
(continued)

	Special Revenue					
	Other Impact Fees	Transportation Impact Fees	Public Safety	Judicial	Economic Development	Culture and Recreation
ASSETS						
Cash and cash equivalents	\$ 1,480,508	\$ 1,499,491	\$ 257,825	\$ 347,911	\$ 531,028	\$ 67,911
Investments	10,758,624	6,777,729	6,408,474	906,778	10,061,350	1,629,661
Accounts receivable	-	-	204	-	-	-
Assessments receivable	-	-	-	-	-	-
Due from other funds	-	-	11	-	-	-
Due from other governmental agencies	7,891	20,570	223,944	-	-	-
Inventories	-	-	-	-	-	-
Assets held for resale or donation	-	-	-	-	-	-
Prepaid items	-	-	470,909	-	6,059	-
Total assets	\$ 12,247,023	\$ 8,297,790	\$ 7,361,367	\$ 1,254,689	\$ 10,598,437	\$ 1,697,572
LIABILITIES						
Accounts payable	\$ 61,549	\$ 23,308	\$ 419,148	\$ 277,289	\$ 238,027	\$ 1,884
Accrued wages payable	-	-	2,350	3,464	8,151	-
Contracts payable - retainage	4,930	5,095	-	-	-	-
Due to other funds	-	-	68,139	-	-	-
Due to other governmental agencies	-	-	-	-	6	-
Total liabilities	66,479	28,403	489,637	280,753	246,184	1,884
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	146,000	-	-	-
FUND BALANCES						
Nonspendable:						
Inventories	-	-	-	-	-	-
Permanent fund principal	-	-	-	-	-	-
Prepaid items	-	-	470,909	-	6,059	-
Restricted for:						
Bond covenants or debt service	-	-	-	-	-	-
Culture and recreation projects	6,018,685	-	-	-	-	1,598,688
Public safety	4,831,925	-	6,254,821	-	-	-
Housing grants and other	-	-	-	-	-	-
Court operations	-	-	-	153,978	-	-
Capital projects	661,707	8,269,387	-	-	-	-
Other restricted purposes	668,227	-	-	-	8,921,905	-
Committed to:						
Ordinance/MSTU/Other	-	-	-	-	-	-
Ordinance/Judicial	-	-	-	819,958	-	-
Ordinance/Culture and recreation	-	-	-	-	-	91,466
Ordinance/CRA	-	-	-	-	-	-
Ordinance/Economic Development	-	-	-	-	1,424,289	-
Assigned to:						
Capital projects	-	-	-	-	-	-
Other assigned purposes	-	-	-	-	-	5,534
Unassigned	-	-	-	-	-	-
Total fund balances	12,180,544	8,269,387	6,725,730	973,936	10,352,253	1,695,688
Total liabilities, deferred inflows and fund balances	\$ 12,247,023	\$ 8,297,790	\$ 7,361,367	\$ 1,254,689	\$ 10,598,437	\$ 1,697,572

Special Revenue				Debt Service		
Franchise Fees	Clerk Special Revenue	Sheriff Special Revenue	Total	Revenue Bonds	Bank Notes and Loans	Total
\$ 585,692	\$ 1,560,836	\$ 969,252	\$ 11,573,833	\$ 798,950	\$ 180,352	\$ 979,302
29,343,548	348,431	-	118,885,528	-	728,956	728,956
-	-	50,626	50,830	-	-	-
-	-	-	200,373	-	1,924,338	1,924,338
-	-	8,800	8,811	-	-	-
-	-	82,515	1,407,133	-	-	-
-	-	-	-	-	-	-
-	-	-	36,300	-	-	-
-	24,750	-	502,003	-	-	-
<u>\$29,929,240</u>	<u>\$ 1,934,017</u>	<u>\$ 1,111,193</u>	<u>\$ 132,664,811</u>	<u>\$ 798,950</u>	<u>\$ 2,833,646</u>	<u>\$ 3,632,596</u>
\$ 171,725	\$ 90,486	\$ 4,043	\$ 3,059,326	\$ -	\$ 1,713	\$ 1,713
8,400	4,799	-	289,949	-	-	-
206,540	-	-	305,757	1,760	5,880	7,640
-	-	120,930	989,069	-	-	-
-	-	-	60,680	-	-	-
<u>386,665</u>	<u>95,285</u>	<u>124,973</u>	<u>4,704,781</u>	<u>1,760</u>	<u>7,593</u>	<u>9,353</u>
-	-	-	1,130,353	-	1,924,338	1,924,338
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	24,750	-	502,003	-	-	-
-	-	-	-	797,190	901,715	1,698,905
-	-	-	7,617,373	-	-	-
-	-	986,220	12,072,966	-	-	-
64,984	-	-	4,051,851	-	-	-
-	1,813,982	-	1,967,960	-	-	-
-	-	-	8,931,094	-	-	-
-	-	-	9,590,132	-	-	-
29,477,591	-	-	61,983,943	-	-	-
-	-	-	819,958	-	-	-
-	-	-	91,466	-	-	-
-	-	-	13,934,814	-	-	-
-	-	-	1,424,289	-	-	-
-	-	-	-	-	-	-
-	-	-	4,444,328	-	-	-
-	-	-	(602,500)	-	-	-
<u>29,542,575</u>	<u>1,838,732</u>	<u>986,220</u>	<u>126,829,677</u>	<u>797,190</u>	<u>901,715</u>	<u>1,698,905</u>
<u>\$29,929,240</u>	<u>\$ 1,934,017</u>	<u>\$ 1,111,193</u>	<u>\$ 132,664,811</u>	<u>\$ 798,950</u>	<u>\$ 2,833,646</u>	<u>\$ 3,632,596</u>

(continued)

Martin County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023
(continued)

	Capital Projects			Permanent Fund	Total Nonmajor Governmental Funds
	Recreation Projects	Transportation Road Projects	Total	Port Salerno Memorial Trust	
ASSETS					
Cash and cash equivalents	\$ 90,244	\$ 624,109	\$ 714,353	\$ 1,584	\$ 13,269,072
Investments	24,890,242	16,593,724	41,483,966	35,092	161,133,542
Accounts receivable	2,500	-	2,500	-	53,330
Assessments receivable	-	182,143	182,143	-	2,306,854
Due from other funds	-	-	-	-	8,811
Due from other governmental agencies	2,957,315	2,194,707	5,152,022	-	6,559,155
Inventories	-	865,894	865,894	-	865,894
Assets held for resale or donation	-	-	-	-	36,300
Prepaid items	950	560	1,510	-	503,513
Total assets	\$ 27,941,251	\$ 20,461,137	\$ 48,402,388	\$ 36,676	\$ 184,736,471
LIABILITIES					
Accounts payable	\$ 355,187	\$ 740,650	\$ 1,095,837	\$ 268	\$ 4,157,144
Accrued wages payable	6,674	100,432	107,106	-	397,055
Contracts payable - retainage	111,422	4,167	115,589	-	428,986
Due to other funds	-	51	51	-	989,120
Due to other governmental agencies	-	137,988	137,988	-	198,668
Total liabilities	473,283	983,288	1,456,571	268	6,170,973
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	2,957,315	601,973	3,559,288	-	6,613,979
FUND BALANCES					
Nonspendable:					
Inventories	-	865,894	865,894	-	865,894
Permanent fund principal	-	-	-	22,819	22,819
Prepaid items	950	560	1,510	-	503,513
Restricted for:					
Bond covenants or debt service	-	-	-	-	1,698,905
Culture and recreation projects	-	-	-	-	7,617,373
Public safety	-	-	-	-	12,072,966
Housing grants and other	1,981,106	-	1,981,106	-	6,032,957
Court operations	-	-	-	-	1,967,960
Capital projects	811,665	18,002,080	18,813,745	-	27,744,839
Other restricted purposes	-	-	-	13,589	9,603,721
Committed to:					
Ordinance/MSTU/Other	-	-	-	-	61,983,943
Ordinance/Judicial	-	-	-	-	819,958
Ordinance/Culture and recreation	-	-	-	-	91,466
Ordinance/CRA	-	-	-	-	13,934,814
Ordinance/Economic Development	-	-	-	-	1,424,289
Assigned to:					
Capital projects	21,716,932	7,342	21,724,274	-	21,724,274
Other assigned purposes	-	-	-	-	4,444,328
Unassigned	-	-	-	-	(602,500)
Total fund balances	24,510,653	18,875,876	43,386,529	36,408	171,951,519
Total liabilities, deferred inflows and fund balances	\$ 27,941,251	\$ 20,461,137	\$ 48,402,388	\$ 36,676	\$ 184,736,471

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, 2023

	Special Revenue				
	District One MSTU	District Two MSTU	District Three MSTU	District Four MSTU	District Five MSTU
REVENUES					
Taxes	\$ 340,594	\$ 217,966	\$ 211,196	\$ 215,232	\$ 274,809
Permits, fees and special assessments	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest income	27,336	28,019	23,111	19,353	18,421
Net change in fair value of investments	4,062	4,406	2,779	2,195	3,757
Contributions - private sources & donations	-	-	22,238	-	-
Miscellaneous revenues	-	-	-	-	-
Total revenues	371,992	250,391	259,324	236,780	296,987
EXPENDITURES					
Current:					
General government	69,635	10,417	80,611	13,084	43,266
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	24,088	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	100,261	-	19,733	-	202,585
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Other debt service costs	-	-	-	-	-
Total expenditures	169,896	10,417	124,432	13,084	245,851
Excess (deficiency) of revenues over (under) expenditures	202,096	239,974	134,892	223,696	51,136
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	(25,749)	-	(49,694)
Total other financing sources (uses)	-	-	(25,749)	-	(49,694)
Net change in fund balances	202,096	239,974	109,143	223,696	1,442
Fund balances - beginning	594,003	632,133	526,141	367,704	603,426
Fund balances - ending	\$ 796,099	\$ 872,107	\$ 635,284	\$ 591,400	\$ 604,868

Special Revenue

Unincorporated MSTUs	Other MSTUs	CRA Fund	SHIP - State Housing Grants	Local Grants
\$ 1,262,707	\$ 14,911,480	\$ -	\$ -	\$ -
7,623,568	49,090	-	-	-
2,659,498	111,176	6,176,336	2,384,640	1,223,926
1,561,040	460,691	-	-	-
363,749	-	-	-	-
571,879	483,915	494,227	56,477	8,247
106,962	128,443	92,512	8,387	279
-	39,552	-	-	-
50,449	39,609	-	110,424	-
<u>14,199,852</u>	<u>16,223,956</u>	<u>6,763,075</u>	<u>2,559,928</u>	<u>1,232,452</u>
3,721,814	523,058	-	-	-
7,119,977	-	-	-	330,674
-	4,264,381	-	-	-
16,693	3,134,707	-	-	-
-	-	812,562	675,098	-
-	-	-	-	46,851
-	3,339,910	-	-	336,046
229,458	1,741,092	1,224,972	-	1,348,832
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>11,087,942</u>	<u>13,003,148</u>	<u>2,037,534</u>	<u>675,098</u>	<u>2,062,403</u>
<u>3,111,910</u>	<u>3,220,808</u>	<u>4,725,541</u>	<u>1,884,830</u>	<u>(829,951)</u>
-	500	202,050	-	450,000
(300,000)	(600,000)	(708,205)	-	(500)
<u>(300,000)</u>	<u>(599,500)</u>	<u>(506,155)</u>	<u>-</u>	<u>449,500</u>
2,811,910	2,621,308	4,219,386	1,884,830	(380,451)
<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>\$ 18,109,592</u>	<u>\$ 15,645,087</u>	<u>\$ 13,971,114</u>	<u>\$ 3,641,561</u>	<u>\$ (602,500)</u>

(continued)

Martin County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2023
(continued)

	Special Revenue					
	Other Impact Fees	Transportation Impact Fees	Public Safety	Judicial	Economic Development	Culture and Recreation
REVENUES						
Taxes	\$ -	\$ -	\$ 8,667,006	\$ -	\$ 5,102,842	\$ -
Permits, fees and special assessments	3,399,442	4,494,860	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-
Charges for services	-	-	805,413	875,780	-	-
Fines and forfeitures	-	-	425	-	-	-
Interest income	367,816	209,869	265,120	43,488	291,917	56,753
Net change in fair value of investments	63,886	38,800	48,787	3,587	53,603	10,828
Contributions - private sources & donations	-	214,550	-	-	-	-
Miscellaneous revenues	-	-	681,351	-	439	-
Total revenues	3,831,144	4,958,079	10,468,102	922,855	5,448,801	67,581
EXPENDITURES						
Current:						
General government	83,912	-	308,078	2,161,656	151,086	18,064
Public safety	1,422	-	5,115,936	-	-	-
Physical environment	65,440	-	-	-	-	-
Transportation	-	45,008	-	-	-	-
Economic environment	-	-	-	-	2,406,365	5,631
Human services	-	-	3,838,088	-	-	-
Culture and recreation	183,326	-	-	-	179,616	17,681
Capital outlay	878,839	210,134	-	2,976	-	41,972
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other debt service costs	-	-	-	-	-	-
Total expenditures	1,212,939	255,142	9,262,102	2,164,632	2,737,067	83,348
Excess (deficiency) of revenues over (under) expenditures	2,618,205	4,702,937	1,206,000	(1,241,777)	2,711,734	(15,767)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	2,711,505	1,469,743	333,000	50,000
Transfers out	-	(930,000)	(824,832)	-	-	-
Total other financing sources (uses)	-	(930,000)	1,886,673	1,469,743	333,000	50,000
Net change in fund balances	2,618,205	3,772,937	3,092,673	227,966	3,044,734	34,233
Fund balances - beginning	9,562,339	4,496,450	3,633,057	745,970	7,307,519	1,661,455
Fund balances - ending	\$ 12,180,544	\$ 8,269,387	\$ 6,725,730	\$ 973,936	\$ 10,352,253	\$ 1,695,688

Special Revenue				Debt Service		
Franchise Fees	Clerk Special Revenue	Sheriff Special Revenue	Total	Revenue Bonds	Bank Notes and Loans	Total
\$ -	\$ -	\$ -	\$ 31,203,832	\$ -	\$ -	\$ -
11,826,031	-	-	27,392,991	-	102,523	102,523
-	-	535,209	13,090,785	-	1,540,691	1,540,691
-	357,186	679,634	4,739,744	-	-	-
-	-	-	364,174	-	-	-
928,512	-	198	3,894,658	45,833	130,502	176,335
180,020	-	-	753,293	-	4,807	4,807
-	-	-	276,340	-	-	-
2,372	-	139,191	1,023,835	-	-	-
<u>12,936,935</u>	<u>357,186</u>	<u>1,354,232</u>	<u>82,739,652</u>	<u>45,833</u>	<u>1,778,523</u>	<u>1,824,356</u>
-	515,920	731,125	8,431,726	-	1,411	1,411
-	-	726,352	13,294,361	-	-	-
278,041	-	-	4,607,862	-	-	-
588,321	-	-	3,808,817	-	-	-
5,755	-	-	3,905,411	-	-	-
-	-	-	3,884,939	-	-	-
-	-	-	4,056,579	-	-	-
6,170,839	-	84,641	12,256,334	-	-	-
-	-	-	-	1,380,000	4,477,271	5,857,271
-	-	-	-	1,577,750	869,766	2,447,516
-	-	-	-	3,809	8,402	12,211
<u>7,042,956</u>	<u>515,920</u>	<u>1,542,118</u>	<u>54,246,029</u>	<u>2,961,559</u>	<u>5,356,850</u>	<u>8,318,409</u>
<u>5,893,979</u>	<u>(158,734)</u>	<u>(187,886)</u>	<u>28,493,623</u>	<u>(2,915,726)</u>	<u>(3,578,327)</u>	<u>(6,494,053)</u>
260,000	-	198,650	5,675,448	3,181,641	3,635,015	6,816,656
(646,050)	-	(4,554)	(4,089,584)	(219,385)	-	(219,385)
<u>(386,050)</u>	<u>-</u>	<u>194,096</u>	<u>1,585,864</u>	<u>2,962,256</u>	<u>3,635,015</u>	<u>6,597,271</u>
5,507,929	(158,734)	6,210	30,079,487	46,530	56,688	103,218
<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>\$ 29,542,575</u>	<u>\$ 1,838,732</u>	<u>\$ 986,220</u>	<u>\$ 126,829,677</u>	<u>\$ 797,190</u>	<u>\$ 901,715</u>	<u>\$ 1,698,905</u>

(continued)

Martin County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2023
(continued)

	Capital Projects			Permanent Fund	
	Recreation Projects	Transportation Road Projects	Total	Port Salerno Memorial Trust	Total Nonmajor Governmental Funds
REVENUES					
Taxes	\$ 6,269,668	\$ 8,698,915	\$ 14,968,583	\$ -	\$ 46,172,415
Permits, fees and special assessments	81,429	1,066,417	1,147,846	-	28,643,360
Intergovernmental revenues	1,633,967	3,013,029	4,646,996	-	19,278,472
Charges for services	-	793,287	793,287	-	5,533,031
Fines and forfeitures	-	-	-	-	364,174
Interest income	531,839	504,345	1,036,184	1,281	5,108,458
Net change in fair value of investments	166,398	102,195	268,593	208	1,026,901
Contributions - private sources & donations	-	210,000	210,000	-	486,340
Miscellaneous revenues	21,850	105,361	127,211	-	1,151,046
Total revenues	8,705,151	14,493,549	23,198,700	1,489	107,764,197
EXPENDITURES					
Current:					
General government	80,730	125,891	206,621	1,354	8,641,112
Public safety	-	-	-	-	13,294,361
Physical environment	2,598,618	3,500	2,602,118	-	7,209,980
Transportation	2,820	9,429,621	9,432,441	-	13,241,258
Economic environment	-	34,267	34,267	-	3,939,678
Human services	-	6,500	6,500	-	3,891,439
Culture and recreation	-	-	-	-	4,056,579
Capital outlay	1,778,887	1,895,994	3,674,881	-	15,931,215
Debt Service:					
Principal	-	-	-	-	5,857,271
Interest	-	-	-	-	2,447,516
Other debt service costs	-	-	-	-	12,211
Total expenditures	4,461,055	11,495,773	15,956,828	1,354	78,522,620
Excess (deficiency) of revenues over (under) expenditures	4,244,096	2,997,776	7,241,872	135	29,241,577
OTHER FINANCING SOURCES (USES)					
Transfers in	-	444,000	444,000	-	12,936,104
Transfers out	(743,566)	(1,856,255)	(2,599,821)	-	(6,908,790)
Total other financing sources (uses)	(743,566)	(1,412,255)	(2,155,821)	-	6,027,314
Net change in fund balances	3,500,530	1,585,521	5,086,051	135	35,268,891
Fund balances - beginning	21,010,123	17,290,355	38,300,478	36,273	136,682,628
Fund balances - ending	\$24,510,653	\$ 18,875,876	\$ 43,386,529	\$ 36,408	\$ 171,951,519

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, 2023

	Business Type Activities - Enterprise Funds		
	Airport	Sailfish Sands Golf Course	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 96,101	\$ 14,936	\$ 111,037
Investments	2,902,169	124,237	3,026,406
Accounts receivable	28,563	18,661	47,224
Leases receivable	224,000	-	224,000
Accrued interest receivable - leases	2,849	-	2,849
Receivables from other governmental agencies	2,618,086	-	2,618,086
Inventories	-	73,430	73,430
Assets held for resale or donation	130,500	-	130,500
Prepaid items	8,447	550	8,997
Total current assets	6,010,715	231,814	6,242,529
Noncurrent assets:			
Lease receivables	761,293	-	761,293
Capital assets:			
Land and land use rights - permanent	6,875,978	-	6,875,978
Buildings	7,514,272	1,258,259	8,772,531
Equipment	667,386	1,252,233	1,919,619
Land improvements	-	1,355,456	1,355,456
Airport improvements	38,280,403	-	38,280,403
Construction in progress	6,282,563	-	6,282,563
Intangible assets	80,076	-	80,076
Less accumulated depreciation	(24,572,448)	(2,511,843)	(27,084,291)
Capital assets, net	35,128,230	1,354,105	36,482,335
Total noncurrent assets	35,889,523	1,354,105	37,243,628
Total assets	41,900,238	1,585,919	43,486,157
DEFERRED OUTFLOWS OF RESOURCES			
Pension	108,396	47,424	155,820
Other postemployment benefits	26,107	9,557	35,664
Total deferred outflows of resources	134,503	56,981	191,484

	Business Type Activities - Enterprise Funds		
	Airport	Sailfish Sands Golf Course	Totals
LIABILITIES			
Current liabilities:			
Payable from current assets:			
Accounts payable	640,118	111,052	751,170
Accrued wages payable	10,796	6,736	17,532
Due to other funds	1,700,000	-	1,700,000
Accrued compensated absences, current	26,340	7,000	33,340
Unearned revenue	59,016	55,377	114,393
Contracts payable	246,329	-	246,329
Total current liabilities	2,682,599	180,165	2,862,764
Noncurrent liabilities:			
Accrued compensated absences	15,679	5,799	21,478
Other postemployment benefits liability	99,423	36,392	135,815
Net pension liability	473,346	207,089	680,435
Total noncurrent liabilities	588,448	249,280	837,728
Total liabilities	3,271,047	429,445	3,700,492
DEFERRED INFLOWS OF RESOURCES			
Pension	15,618	6,833	22,451
Other postemployment benefits	47,710	17,463	65,173
Leases	882,427	-	882,427
Total deferred inflows of resources	945,755	24,296	970,051
NET POSITION			
Net investment in capital assets	34,881,902	1,354,106	36,236,008
Restricted:			
Noise abatement projects	130,500	-	130,500
Unrestricted	2,805,537	(164,947)	2,640,590
Total net position	\$ 37,817,939	\$ 1,189,159	\$ 39,007,098

Martin County, Florida
Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended September 30, 2023

	Business Type Activities - Enterprise Funds		
	Airport	Sailfish Sands Golf Course	Total
OPERATING REVENUES			
Charges for services	\$ 2,574,564	\$ 2,373,176	\$ 4,947,740
Miscellaneous revenues	59,029	302,624	361,653
Total operating revenues	2,633,593	2,675,800	5,309,393
OPERATING EXPENSES			
Salaries and related expenses	670,151	343,049	1,013,200
General, administrative, claims, operating, and maintenance	1,523,206	2,365,556	3,888,762
Depreciation	2,530,224	199,889	2,730,113
Total operating expenses	4,723,581	2,908,494	7,632,075
Operating loss	(2,089,988)	(232,694)	(2,322,682)
NONOPERATING REVENUES			
Interest income	115,328	31,591	146,919
Net change in fair value	35,686	5,150	40,836
Grant income	138,643	-	138,643
Gain on disposition of capital assets	8,859	-	8,859
Total net nonoperating revenues	298,516	36,741	335,257
Loss before contributions and transfers	(1,791,472)	(195,953)	(1,987,425)
Capital contributions	4,491,907	91,207	4,583,114
Transfers in	-	130,699	130,699
Change in net position	2,700,435	25,953	2,726,388
Total net position - beginning	35,117,504	1,163,206	36,280,710
Total net position - ending	\$ 37,817,939	\$ 1,189,159	\$ 39,007,098

Martin County, Florida
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2023

	Airport	Sailfish Sands Golf Course	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 2,597,214	\$ 2,385,029	\$ 4,982,243
Other receipts	26,039	302,624	328,663
Payments for salaries and benefits	(623,075)	(294,518)	(917,593)
Payments to suppliers	(1,559,051)	(2,433,697)	(3,992,748)
Net cash provided (used) by operating activities	441,127	(40,562)	400,565
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	1,700,000	130,699	1,830,699
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital grants received	3,245,532	-	3,245,532
Purchases of capital assets	(5,078,548)	-	(5,078,548)
Proceeds from sale of assets	8,859	-	8,859
Net cash provided (used) by capital and related financing activities	(1,824,157)	-	(1,824,157)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and gains (loss) on investments	(341,861)	(124,237)	(466,098)
Interest received	115,328	36,742	152,070
Net cash provided (used) by investing activities	(226,533)	(87,495)	(314,028)
Change in cash and cash equivalents	90,437	2,642	93,079
Cash and cash equivalents - beginning of the year	5,663	12,295	17,958
Cash and cash equivalents - end of year	\$ 96,100	\$ 14,937	\$ 111,037
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating loss	\$ (2,089,987)	\$ (232,694)	\$ (2,322,681)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation and amortization	2,530,224	199,889	2,730,113
Changes in assets and liabilities:			
Accounts receivable, net	2,785	(20,858)	(18,073)
Lease receivable, net	210,177	-	210,177
Deferred outflows, pension	4,468	(4,553)	(85)
Deferred outflow, OPEB	3,244	1,187	4,431
Unearned revenue	-	32,711	32,711
Inventories	-	(35,580)	(35,580)
Other current assets	(8,447)	(400)	(8,847)
Accounts payable	(27,398)	(31,510)	(58,908)
Accrued wages	(64)	1,026	962
Deferred inflows, pension	(5,719)	(1,272)	(6,991)
Deferred inflows, OPEB	26,932	9,858	36,790
Deferred inflows, leases	(223,303)	-	(223,303)
Net pension liability	59,164	49,763	108,927
Other post-employment benefits	(31,288)	(11,452)	(42,740)
Accrued compensated absences	(9,661)	3,323	(6,338)
Net cash provided (used) by operating activities:	441,127	(40,562)	400,565
NONCASH INVESTING CAPITAL AND FINANCING ACTIVITIES			
Contributions of capital assets	\$ -	\$ 91,207	\$ 91,207



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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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 337,958	\$ 337,958	\$ 340,594	\$ 2,636
Interest income	-	-	27,336	27,336
Net change in fair value of investments	-	-	4,062	4,062
Total revenues	<u>337,958</u>	<u>337,958</u>	<u>371,992</u>	<u>34,034</u>
EXPENDITURES:				
Current:				
General government	11,300	11,300	69,635	(58,335)
Capital outlay	326,658	920,660	100,261	820,399
Total expenditures	<u>337,958</u>	<u>931,960</u>	<u>169,896</u>	<u>762,064</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(594,002)</u>	<u>202,096</u>	<u>796,098</u>
Net change in fund balances	<u>-</u>	<u>(594,002)</u>	<u>202,096</u>	<u>\$ 796,098</u>
Fund balances, beginning	<u>-</u>	<u>594,002</u>	<u>594,003</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 796,099</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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 215,000	\$ 215,000	\$ 217,966	\$ 2,966
Interest income	-	-	28,019	28,019
Net change in fair value of investments	-	-	4,406	4,406
Total revenues	<u>215,000</u>	<u>215,000</u>	<u>250,391</u>	<u>35,391</u>
EXPENDITURES:				
Current:				
General government	6,700	6,700	10,417	(3,717)
Capital outlay	208,300	840,433	-	840,433
Total expenditures	<u>215,000</u>	<u>847,133</u>	<u>10,417</u>	<u>836,716</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(632,133)</u>	<u>239,974</u>	<u>872,107</u>
Net change in fund balances	<u>-</u>	<u>(632,133)</u>	<u>239,974</u>	<u>\$ 872,107</u>
Fund balances, beginning	<u>-</u>	<u>632,133</u>	<u>632,133</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 872,107</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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 208,000	\$ 208,000	\$ 211,196	\$ 3,196
Interest income	-	-	23,111	23,111
Net change in fair value of investments	-	-	2,779	2,779
Contributions - private sources & donations	-	-	22,238	22,238
Total revenues	<u>208,000</u>	<u>208,000</u>	<u>259,324</u>	<u>51,324</u>
EXPENDITURES:				
Current:				
General government	7,300	7,300	80,611	(73,311)
Transportation	-	19,840	24,088	(4,248)
Capital outlay	200,700	657,000	19,733	637,267
Total expenditures	<u>208,000</u>	<u>684,140</u>	<u>124,432</u>	<u>559,708</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(476,140)</u>	<u>134,892</u>	<u>611,032</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(50,000)	(25,749)	24,251
Net change in fund balances	<u>-</u>	<u>(526,140)</u>	<u>109,143</u>	<u>\$ 635,283</u>
Fund balances, beginning	<u>-</u>	<u>526,140</u>	<u>526,141</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 635,284</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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 214,390	\$ 214,390	\$ 215,232	\$ 842
Interest income	-	-	19,353	19,353
Net change in fair value of investments	-	-	2,195	2,195
Total revenues	<u>214,390</u>	<u>214,390</u>	<u>236,780</u>	<u>22,390</u>
EXPENDITURES:				
Current:				
General government	7,750	7,750	13,084	(5,334)
Capital outlay	206,640	574,344	-	574,344
Total expenditures	<u>214,390</u>	<u>582,094</u>	<u>13,084</u>	<u>569,010</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(367,704)</u>	<u>223,696</u>	<u>591,400</u>
Net change in fund balances	<u>-</u>	<u>(367,704)</u>	<u>223,696</u>	<u>\$ 591,400</u>
Fund balances, beginning	<u>-</u>	<u>367,704</u>	<u>367,704</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 591,400</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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 270,658	\$ 270,658	\$ 274,809	\$ 4,151
Interest income	-	-	18,421	18,421
Net change in fair value of investments	-	-	3,757	3,757
Total revenues	<u>270,658</u>	<u>270,658</u>	<u>296,987</u>	<u>26,329</u>
EXPENDITURES:				
Current:				
General government	6,200	6,200	43,266	(37,066)
Transportation	-	8,000	-	8,000
Capital outlay	264,458	514,884	202,585	312,299
Total expenditures	<u>270,658</u>	<u>529,084</u>	<u>245,851</u>	<u>283,233</u>
Excess of revenues over expenditures	<u>-</u>	<u>(258,426)</u>	<u>51,136</u>	<u>309,562</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(345,000)	(49,694)	295,306
Net change in fund balances	<u>-</u>	<u>(603,426)</u>	<u>1,442</u>	<u>\$ 604,868</u>
Fund balances, beginning	<u>-</u>	<u>603,426</u>	<u>603,426</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 604,868</u>	

Martin County, Florida
Nonmajor Special Revenue Funds
Unincorporated MSTUs
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 1,187,959	\$ 1,187,959	\$ 1,262,707	\$ 74,748
Permits, fees and special assessments	6,125,000	6,125,000	7,623,568	1,498,568
Intergovernmental revenues	2,629,251	2,629,251	2,659,498	30,247
Charges for services	1,007,000	1,007,000	1,561,040	554,040
Fines and forfeitures	300,500	300,500	363,749	63,249
Interest income	7,000	7,000	571,879	564,879
Net change in fair value of investments	-	-	106,962	106,962
Miscellaneous revenues	22,000	22,000	50,449	28,449
Statutory budget reduction	(110,000)	(110,000)	-	110,000
Total revenues	11,168,710	11,168,710	14,199,852	3,031,142
EXPENDITURES:				
Current:				
General government	4,103,963	4,893,802	3,721,814	1,171,988
Public safety	7,073,361	7,535,495	7,119,977	415,518
Transportation	19,857	19,857	16,693	3,164
Capital outlay	25,000	310,543	229,458	81,085
Total expenditures	11,222,181	12,759,697	11,087,942	1,671,755
Excess (deficiency) of revenues over (under) expenditures	(53,471)	(1,590,987)	3,111,910	4,702,897
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(300,000)	(300,000)	-
Reserves	(4,131,644)	(13,406,843)	-	13,406,843
Total other financing sources (uses)	(4,131,644)	(13,706,843)	(300,000)	13,406,843
Net change in fund balances	(4,185,115)	(15,297,830)	2,811,910	\$ 18,109,740
Fund balances, beginning	4,185,115	15,297,830	15,297,682	
Fund balances, ending	\$ -	\$ -	\$ 18,109,592	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 14,717,828	\$ 14,717,828	\$ 14,911,480	\$ 193,652
Permits, fees and special assessments	25,000	25,000	49,090	24,090
Intergovernmental revenues	6,200	122,721	111,176	(11,545)
Charges for services	400,000	400,000	460,691	60,691
Interest income	55,000	55,000	483,915	428,915
Net change in fair value of investments	-	-	128,443	128,443
Contributions - private sources & donations	2,000	41,542	39,552	(1,990)
Miscellaneous revenues	-	-	39,609	39,609
Statutory budget reduction	(39,000)	(39,000)	-	39,000
Total revenues	15,167,028	15,323,091	16,223,956	900,865
EXPENDITURES:				
Current:				
General government	539,305	539,305	523,058	16,247
Physical environment	4,761,022	6,084,236	4,264,381	1,819,855
Transportation	2,926,424	3,086,468	3,134,707	(48,239)
Culture and recreation	3,288,945	3,328,944	3,339,910	(10,966)
Capital outlay	3,029,133	12,077,480	1,741,092	10,336,388
Total expenditures	14,544,829	25,116,433	13,003,148	12,113,285
Excess (deficiency) of revenues over (under) expenditures	622,199	(9,793,342)	3,220,808	13,014,150
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	500	500
Transfers out	-	(600,000)	(600,000)	-
Reserves	(832,731)	(2,632,289)	-	2,632,289
Total other financing sources (uses)	(832,731)	(3,232,289)	(599,500)	2,632,789
Net change in fund balances	(210,532)	(13,025,631)	2,621,308	\$ 15,646,939
Fund balances, beginning	210,532	13,025,631	13,023,779	
Fund balances, ending	\$ -	\$ -	\$ 15,645,087	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Intergovernmental revenues	\$ 6,223,456	\$ 6,176,336	\$ 6,176,336	\$ -
Interest income	-	-	494,227	494,227
Net change in fair value of investments	-	-	92,512	92,512
Total revenues	6,223,456	6,176,336	6,763,075	586,739
EXPENDITURES:				
Current:				
Economic environment	697,544	684,435	812,562	(128,127)
Capital outlay	4,806,477	14,504,279	1,224,972	13,279,307
Total expenditures	5,504,021	15,188,714	2,037,534	13,151,180
Excess (deficiency) of revenues over (under) expenditures	719,435	(9,012,378)	4,725,541	13,737,919
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	202,050	202,050
Transfers out	(708,205)	(1,008,205)	(708,205)	300,000
Reserves	(11,230)	(1,230)	-	1,230
Total other financing sources (uses):	(719,435)	(1,009,435)	(506,155)	503,280
Net change in fund balances	-	(10,021,813)	4,219,386	\$ 14,241,199
Fund balances, beginning	-	10,021,813	9,751,728	
Fund balances, ending	\$ -	\$ -	\$ 13,971,114	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Intergovernmental revenues	\$ -	\$ -	\$ 2,384,640	\$ 2,384,640
Interest income	-	-	56,477	56,477
Net change in fair value of investments	-	-	8,387	8,387
Miscellaneous revenues	-	-	110,424	110,424
Total revenues	-	-	2,559,928	2,559,928
EXPENDITURES:				
Current:				
Economic environment	-	1,756,464	675,098	1,081,366
Excess (deficiency) of revenues over (under) expenditures	-	(1,756,464)	1,884,830	3,641,294
Net change in fund balances	-	(1,756,464)	1,884,830	\$ 3,641,294
Fund balances, beginning	-	1,756,464	1,756,731	
Fund balances, ending	\$ -	\$ -	\$ 3,641,561	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Intergovernmental revenues	\$ 262,554	\$ 2,049,244	\$ 1,223,926	\$ (825,318)
Interest income	-	-	8,247	8,247
Net change in fair value of investments	-	-	279	279
Total revenues	<u>262,554</u>	<u>2,049,244</u>	<u>1,232,452</u>	<u>(816,792)</u>
EXPENDITURES:				
Current:				
Public safety	262,554	492,977	330,674	162,303
Human services	-	135,355	46,851	88,504
Culture and recreation	-	336,046	336,046	-
Capital outlay	-	1,606,550	1,348,832	257,718
Total expenditures	<u>262,554</u>	<u>2,570,928</u>	<u>2,062,403</u>	<u>508,525</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(521,684)</u>	<u>(829,951)</u>	<u>(308,267)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	461,190	450,000	(11,190)
Net change in fund balances	<u>-</u>	<u>(60,494)</u>	<u>(380,451)</u>	<u>\$ (319,957)</u>
Fund balances, beginning	<u>-</u>	<u>60,494</u>	<u>(222,049)</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (602,500)</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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Permits, fees and special assessments	\$ 1,970,000	\$ 1,970,000	\$ 3,399,442	\$ 1,429,442
Interest income	3,000	3,000	367,816	364,816
Net change in fair value of investments	-	-	63,886	63,886
Total revenues	1,973,000	1,973,000	3,831,144	1,858,144
EXPENDITURES:				
Current:				
General government	-	591,037	83,912	507,125
Public safety	10,000	10,000	1,422	8,578
Physical environment	-	228,365	65,440	162,925
Culture and recreation	-	-	183,326	(183,326)
Capital outlay	335,000	7,029,413	878,839	6,150,574
Total expenditures	345,000	7,858,815	1,212,939	6,645,876
Excess (deficiency) of revenues over (under) expenditures	1,628,000	(5,885,815)	2,618,205	8,504,020
Transfers out	(499,000)	-	-	-
Reserves	(1,628,000)	(3,676,518)	-	3,676,518
Total other financing sources (uses)	(2,127,000)	(3,676,518)	-	(3,676,518)
Net change in fund balances	(499,000)	(9,562,333)	2,618,205	\$ 12,180,538
Fund balances, beginning	499,000	9,562,333	9,562,339	
Fund balances, ending	\$ -	\$ -	\$ 12,180,544	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Permits, fees and special assessments	\$ 715,000	\$ 715,000	\$ 4,494,860	\$ 3,779,860
Interest income	-	-	209,869	209,869
Net change in fair value of investments	-	-	38,800	38,800
Contributions - private sources & donations	-	-	214,550	214,550
Total revenues	<u>715,000</u>	<u>715,000</u>	<u>4,958,079</u>	<u>4,243,079</u>
EXPENDITURES:				
Current:				
Transportation	-	-	45,008	(45,008)
Capital outlay	-	1,002,650	210,134	792,516
Total expenditures	<u>-</u>	<u>1,002,650</u>	<u>255,142</u>	<u>747,508</u>
Excess (deficiency) of revenues over (under) expenditures	<u>715,000</u>	<u>(287,650)</u>	<u>4,702,937</u>	<u>4,990,587</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(930,000)	(930,000)	(930,000)	-
Reserves	(685,000)	(3,278,798)	-	3,278,798
Total other financing sources (uses)	<u>(1,615,000)</u>	<u>(4,208,798)</u>	<u>(930,000)</u>	<u>3,278,798</u>
Net change in fund balances	<u>(900,000)</u>	<u>(4,496,448)</u>	<u>3,772,937</u>	<u>\$ 8,269,385</u>
Fund balances, beginning	<u>900,000</u>	<u>4,496,448</u>	<u>4,496,450</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,269,387</u>	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 8,535,501	\$ 8,535,501	\$ 8,667,006	\$ 131,505
Charges for services	800,000	800,000	805,413	5,413
Fines and forfeitures	3,000	3,000	425	(2,575)
Interest income	500	500	265,120	264,620
Net change in fair value of investments	-	-	48,787	48,787
Miscellaneous revenues	50,000	216,451	681,351	464,900
Total revenues	9,389,001	9,555,452	10,468,102	912,650
EXPENDITURES:				
Current:				
General government	267,364	508,815	308,078	200,737
Public safety	4,547,369	5,325,269	5,115,936	209,333
Human services	4,577,823	4,582,022	3,838,088	743,934
Capital outlay	193,200	356,893	-	356,893
Total expenditures	9,585,756	10,772,999	9,262,102	1,510,897
Excess (deficiency) of revenues over (under) expenditures	(196,755)	(1,217,547)	1,206,000	2,423,547
OTHER FINANCING SOURCES (USES):				
Transfers in	761,494	2,761,494	2,711,505	(49,989)
Transfers out	(900,418)	(1,085,519)	(824,832)	260,687
Reserves	(184,194)	(4,165,422)	-	4,165,422
Total other financing sources (uses)	(323,118)	(2,489,447)	1,886,673	4,376,120
Net change in fund balances	(519,873)	(3,706,994)	3,092,673	\$ 6,799,667
Fund balances, beginning	519,873	3,706,994	3,633,057	
Fund balances, ending	\$ -	\$ -	\$ 6,725,730	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Charges for services	\$ 1,003,348	\$ 1,003,348	\$ 875,780	\$ (127,568)
Interest income	-	-	43,488	43,488
Net change in fair value of investments	-	-	3,587	3,587
Total revenues	1,003,348	1,003,348	922,855	(80,493)
EXPENDITURES:				
Current:				
General government	2,007,651	2,270,652	2,161,656	108,996
Capital outlay	35,998	35,998	2,976	33,022
Total expenditures	2,043,649	2,306,650	2,164,632	142,018
Deficiency of revenues under expenditures	(1,040,301)	(1,303,302)	(1,241,777)	61,525
OTHER FINANCING SOURCES (USES):				
Transfers in	854,173	1,414,173	1,469,743	55,570
Reserves	(16,028)	(856,837)	-	856,837
Total other financing sources (uses)	838,145	557,336	1,469,743	912,407
Net change in fund balances	(202,156)	(745,966)	227,966	\$ 973,932
Fund balances, beginning	202,156	745,966	745,970	
Fund balances, ending	\$ -	\$ -	\$ 973,936	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 3,741,559	\$ 3,741,559	\$ 5,102,842	\$ 1,361,283
Interest income	-	-	291,917	291,917
Net change in fair value of investments	-	-	53,603	53,603
Miscellaneous revenues	-	-	439	439
Statutory budget reduction	(174,828)	(174,828)	-	174,828
Total revenues	<u>3,566,731</u>	<u>3,566,731</u>	<u>5,448,801</u>	<u>1,882,070</u>
EXPENDITURES:				
Current:				
General government	132,895	1,167,997	151,086	1,016,911
Physical environment	500,000	1,561,531	-	1,561,531
Economic environment	2,438,621	7,186,778	2,406,365	4,780,413
Culture and recreation	192,403	192,403	179,616	12,787
Capital outlay	200,000	286,398	-	286,398
Total expenditures	<u>3,463,919</u>	<u>10,395,107</u>	<u>2,737,067</u>	<u>7,658,040</u>
Excess (deficiency) of revenues over (under) expenditures	<u>102,812</u>	<u>(6,828,376)</u>	<u>2,711,734</u>	<u>9,540,110</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	233,000	333,000	333,000	-
Reserves	(335,812)	(812,142)	-	812,142
Total other financing sources (uses)	<u>(102,812)</u>	<u>(479,142)</u>	<u>333,000</u>	<u>812,142</u>
Net change in fund balances	-	(7,307,518)	3,044,734	<u>\$ 10,352,252</u>
Fund balances, beginning	-	7,307,518	7,307,519	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,352,253</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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 56,753	\$ 56,753
Net change in fair value of investments	\$ -	\$ -	\$ 10,828	\$ 10,828
Total revenues	<u>-</u>	<u>-</u>	<u>67,581</u>	<u>67,581</u>
EXPENDITURES:				
Current:				
General government	35,500	98,266	18,064	80,202
Economic environment	14,500	14,500	5,631	8,869
Culture and recreation	-	1,600,000	17,681	1,582,319
Capital outlay	-	-	41,972	(41,972)
Total expenditures	<u>50,000</u>	<u>1,712,766</u>	<u>83,348</u>	<u>1,629,418</u>
Deficiency of revenues under expenditures	<u>(50,000)</u>	<u>(1,712,766)</u>	<u>(15,767)</u>	<u>1,696,999</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>(1,662,766)</u>	<u>34,233</u>	<u>\$ 1,696,999</u>
Fund balances, beginning	<u>-</u>	<u>1,662,766</u>	<u>1,661,455</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,695,688</u>	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Permits, fees and special assessments	\$ 9,250,921	\$ 9,250,921	\$ 11,826,031	\$ 2,575,110
Interest income	-	-	928,512	928,512
Net change in fair value of investments	-	-	180,020	180,020
Miscellaneous revenues	-	-	2,372	2,372
Total revenues	<u>9,250,921</u>	<u>9,250,921</u>	<u>12,936,935</u>	<u>3,686,014</u>
EXPENDITURES:				
Current:				
Physical environment	-	-	278,042	(278,042)
Transportation	383,921	705,622	588,320	117,302
Economic environment	-	-	5,755	(5,755)
Capital outlay	8,683,000	28,655,760	6,170,839	22,484,921
Total expenditures	<u>9,066,921</u>	<u>29,361,382</u>	<u>7,042,956</u>	<u>22,318,426</u>
Excess (deficiency) of revenues over (under) expenditures	<u>184,000</u>	<u>(20,110,461)</u>	<u>5,893,979</u>	<u>26,004,440</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	260,000	260,000	260,000	-
Transfers out	(444,000)	(508,984)	(646,050)	(137,066)
Reserves	-	(3,675,200)	-	3,675,200
Net change in fund balances	-	(24,034,645)	5,507,929	<u>\$ 29,542,574</u>
Fund balances, beginning	-	24,034,645	24,034,646	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,542,575</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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Charges for services	\$ 521,000	\$ 521,000	\$ 357,186	\$ (163,814)
EXPENDITURES:				
Current:				
General government	723,755	723,755	515,920	207,835
Deficiency of revenues under expenditures	(202,755)	(202,755)	(158,734)	44,021
OTHER FINANCING SOURCES (USES):				
Reserves	(1,568,905)	(1,568,905)	-	1,568,905
Net change in fund balances	(1,771,660)	(1,771,660)	(158,734)	\$ 1,612,926
Fund balances, beginning	1,771,660	1,771,660	1,997,466	
Fund balances, ending	\$ -	\$ -	\$ 1,838,732	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Interest income	\$ -	\$ -	\$ 45,833	\$ 45,833
EXPENDITURES:				
Debt service				
Principal	1,380,000	1,380,000	1,380,000	-
Interest	1,577,750	1,577,750	1,577,750	-
Other debt service costs	2,500	2,500	3,809	(1,309)
Total expenditures	<u>2,960,250</u>	<u>2,960,250</u>	<u>2,961,559</u>	<u>(1,309)</u>
Deficiency of revenues under expenditures	<u>(2,960,250)</u>	<u>(2,960,250)</u>	<u>(2,915,726)</u>	<u>44,524</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	2,972,185	3,559,339	3,181,641	(377,698)
Reserves	(11,935)	(1,349,749)	-	1,349,749
Net change in fund balances	-	(750,660)	46,530	<u>\$ 797,190</u>
Fund balances, beginning	<u>-</u>	<u>750,660</u>	<u>750,660</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 797,190</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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Permits, fees and special assessments	\$ 163,531	\$ 163,531	\$ 102,523	\$ (61,008)
Intergovernmental revenues	\$ 1,540,691	\$ 1,540,691	\$ 1,540,691	\$ -
Interest income	-	-	130,502	130,502
Net change in fair value of investments	-	-	4,807	4,807
Total revenues	<u>1,704,222</u>	<u>1,704,222</u>	<u>1,778,523</u>	<u>74,301</u>
EXPENDITURES:				
General government	-	36,500	1,411	35,089
Debt service				
Principal	5,337,271	4,477,271	4,477,271	-
Interest	940,611	869,852	869,768	84
Other debt service costs	12,352	8,352	8,400	(48)
Total expenditures	<u>6,290,234</u>	<u>5,391,975</u>	<u>5,356,850</u>	<u>35,125</u>
Deficiency of revenues under expenditures	<u>(4,586,012)</u>	<u>(3,687,753)</u>	<u>(3,578,327)</u>	<u>109,426</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	4,444,393	3,635,015	3,635,015	-
Reserves	(762)	(792,286)	-	792,286
Total other financing sources (uses)	<u>4,443,631</u>	<u>2,842,729</u>	<u>3,635,015</u>	<u>792,286</u>
Net change in fund balances	<u>(142,381)</u>	<u>(845,024)</u>	<u>56,688</u>	<u>\$ 901,712</u>
Fund balances, beginning	<u>142,381</u>	<u>845,024</u>	<u>845,027</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 901,715</u>	

Martin County, Florida
Major Capital Project Funds
County Buildings
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 14,437,984	\$ 14,437,984	\$ 14,664,018	\$ 226,034
Permits, fees and special assessments	150,000	150,000	162,859	12,859
Intergovernmental revenues	165,000	165,000	154,448	(10,552)
Fines and forfeitures	140,000	140,000	138,372	(1,628)
Interest income	20,000	20,000	1,525,678	1,505,678
Net change in fair value of investments	-	-	299,610	299,610
Contributions - private sources & donations	-	124,323	165,878	41,555
Miscellaneous revenues	-	-	1,067,185	1,067,185
Statutory budget reduction	(19,750)	(19,750)	-	19,750
Total revenues	14,893,234	15,017,557	18,178,048	3,160,491
EXPENDITURES:				
Current:				
General government	697,885	715,884	1,775,911	(1,060,027)
Public safety	-	-	273,465	(273,465)
Physical environment	715,000	1,509,849	931,816	578,033
Transportation	199,888	199,889	584,027	(384,138)
Culture and recreation	-	-	928,445	(928,445)
Capital outlay	12,919,847	46,253,082	12,006,014	34,247,068
Debt service:				
Principal	1,832,486	6,096,723	6,134,949	(38,226)
Interest	363,601	363,601	372,419	(8,818)
Other debt service costs	2,000	2,000	25,643	(23,643)
Total expenditures	16,730,707	55,141,028	23,032,689	32,108,339
Deficiency of revenues under expenditures	(1,837,473)	(40,123,471)	(4,854,641)	35,268,830
OTHER FINANCING SOURCES (USES):				
Transfers in	2,056,088	8,929,509	8,947,364	17,855
Transfers out	(200,000)	(511,190)	(500,000)	11,190
Reserves	(18,615)	(7,184,361)	-	7,184,361
Total other financing sources (uses)	1,837,473	1,233,958	8,447,364	7,213,406
Net change in fund balances	-	(38,889,513)	3,592,723	\$ 42,482,236
Fund balances, beginning	-	38,889,513	38,889,515	
Fund balances, ending	\$ -	\$ -	\$ 42,482,238	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 6,172,151	\$ 6,172,151	\$ 6,269,668	\$ 97,517
Permits, fees and special assessments	65,000	65,000	81,429	16,429
Intergovernmental revenues	-	4,470,898	1,633,967	(2,836,931)
Interest income	-	-	531,839	531,839
Net change in fair value of investments	-	-	166,398	166,398
Miscellaneous revenues	115,000	115,000	21,850	(93,150)
Statutory budget reduction	(2,500)	(2,500)	-	2,500
Total revenues	6,349,651	10,820,549	8,705,151	(2,115,398)
EXPENDITURES:				
Current:				
General government	84,650	84,650	80,730	3,920
Physical environment	6,185,248	16,039,616	2,598,618	13,440,998
Transportation	-	-	2,820	(2,820)
Capital outlay	-	3,372,664	1,778,887	1,593,777
Total expenditures	6,269,898	19,496,930	4,461,055	15,035,875
Excess (deficiency) of revenues over (under) expenditures	79,753	(8,676,381)	4,244,096	12,920,477
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(3,874,449)	(743,566)	3,130,883
Reserves	(136,410)	(7,707,791)	-	7,707,791
Total other financing sources (uses)	136,410	11,582,240	(743,566)	10,838,674
Net change in fund balances	(56,657)	(20,258,621)	3,500,530	\$ 23,759,151
Fund balances, beginning	56,657	20,258,621	21,010,123	
Fund balances, ending	\$ -	\$ -	\$ 24,510,653	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 7,875,000	\$ 7,875,000	\$ 8,698,915	\$ 823,915
Permits, fees and special assessments	590,000	590,000	1,066,417	476,417
Intergovernmental revenues	2,750,000	2,750,000	3,013,029	263,029
Charges for services	776,895	776,895	793,287	16,392
Interest income	5,000	5,000	504,345	499,345
Net change in fair value of investments	-	-	102,195	102,195
Contributions - private sources & donations	-	200,000	210,000	10,000
Miscellaneous revenues	60,000	60,000	105,361	45,361
Statutory budget reduction	(196,120)	(196,120)	-	196,120
Total revenues	11,860,775	12,060,775	14,493,549	2,432,774
EXPENDITURES:				
Current:				
General government	130,161	138,461	125,891	12,570
Physical environment	3,500	3,500	3,500	-
Transportation	8,955,596	9,218,796	9,429,621	(210,825)
Economic environment	35,440	35,440	34,267	1,173
Human services	6,500	6,500	6,500	-
Capital outlay	1,608,000	7,037,422	1,895,994	5,141,428
Debt service				
Total expenditures	10,739,197	16,440,119	11,495,773	4,944,346
Excess (deficiency) of revenues over (under) expenditures	1,121,578	(4,379,344)	2,997,776	7,377,120
OTHER FINANCING SOURCES (USES):				
Transfers in	444,000	444,000	444,000	-
Transfers out	(1,857,247)	(1,857,247)	(1,856,255)	992
Reserves	(1,005,166)	(10,677,607)	-	10,677,607
Total other financing sources (uses)	(2,418,413)	(12,090,854)	(1,412,255)	10,678,599
Net change in fund balances	(1,296,835)	(16,470,198)	1,585,521	\$ 18,055,719
Fund balances, beginning	1,296,835	16,470,198	17,290,355	
Fund balances, ending	\$ -	\$ -	\$ 18,875,876	

INTERNAL SERVICE FUNDS
COMBINING STATEMENTS

Martin County, Florida
Internal Service Funds
Combining Statement of Net Position
September 30, 2023

	Self-Insurance	Vehicle Maintenance	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 8,082,836	\$ 305,694	\$ 8,388,530
Restricted cash	393,500	-	393,500
Investments	3,862,256	2,540,885	6,403,141
Accounts receivable	475,973	36,313	512,286
Due from other funds	586,078	21,504	607,582
Due from other governmental agencies	-	2,630	2,630
Inventories	-	214,054	214,054
Prepaid items	4,000	-	4,000
Total current assets	13,404,643	3,121,080	16,525,723
Noncurrent assets:			
Equipment	21,267	5,647,831	5,669,098
Less accumulated depreciation and amortization	(21,267)	(4,299,953)	(4,321,220)
Capital assets, net	-	1,347,878	1,347,878
Total assets	13,404,643	4,468,958	17,873,601
LIABILITIES			
Current liabilities:			
Accounts payable and accrued claims	2,167,164	183,986	2,351,150
Accrued wages payable	-	13,799	13,799
Accrued compensated absences, current	-	46,000	46,000
Total current liabilities	2,167,164	243,785	2,410,949
Noncurrent liabilities:			
Accrued compensated absences	-	10,458	10,458
Total liabilities	2,167,164	254,243	2,421,407
NET POSITION			
Net investment in capital assets	-	1,347,878	1,347,878
Unrestricted	11,237,479	2,866,837	14,104,316
Total net position	\$ 11,237,479	\$ 4,214,715	\$ 15,452,194

Martin County, Florida
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2023

	Self-Insurance	Vehicle Maintenance	Total
OPERATING REVENUES			
Charges for services	\$ 43,590,412	\$ 1,981,136	\$ 45,571,548
Miscellaneous revenues	4,985,866	21,908	5,007,774
Total operating revenues	48,576,278	2,003,044	50,579,322
OPERATING EXPENSES			
Salaries and related expenses	-	689,575	689,575
General, administrative, claims, operating, and maintenance	49,184,252	881,906	50,066,158
Depreciation	1,772	568,216	569,988
Total operating expenses	49,186,024	2,139,697	51,325,721
Operating income (loss)	(609,746)	(136,653)	(746,399)
NONOPERATING REVENUES			
Interest income	458,936	108,333	567,269
Net change in fair value	29,233	18,638	47,871
Gain on disposition of capital assets	-	208,916	208,916
Total net nonoperating revenues	488,169	335,887	824,056
Change in net position	(121,577)	199,234	77,657
Total net position - beginning	11,359,056	4,015,481	15,374,537
Total net position - ending	\$ 11,237,479	\$ 4,214,715	\$ 15,452,194

Martin County, Florida
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended September 30, 2023

	<u>Self-Insurance</u>	<u>Vehicle Maintenance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 44,105,336	\$ 1,983,371	\$ 46,088,707
Other receipts	4,985,865	21,909	5,007,774
Payments for salaries and benefits	-	(686,735)	(686,735)
Payments to suppliers	(49,146,989)	(878,485)	(50,025,474)
Net cash provided (used) by operating activities	<u>(55,788)</u>	<u>440,060</u>	<u>384,272</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of capital assets	-	(832,435)	(832,435)
Proceeds from sale of assets	-	208,916	208,916
Net cash provided (used) for capital and related financing activities	<u>-</u>	<u>(623,519)</u>	<u>(623,519)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and gain (loss) on investments	455,352	(388,899)	66,453
Interest received	488,169	126,971	615,140
Net cash provided (used) in investing activities	<u>943,521</u>	<u>(261,928)</u>	<u>681,593</u>
Net change in cash and cash equivalents	887,733	(445,387)	442,346
Cash and cash equivalents - beginning of year	7,588,603	751,081	8,339,684
Cash and cash equivalents - end of year	<u><u>\$ 8,476,336</u></u>	<u><u>\$ 305,694</u></u>	<u><u>\$ 8,782,030</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (609,747)	\$ (136,652)	\$ (746,399)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation and amortization	1,771	568,217	569,988
Changes in assets and liabilities:			
Accounts receivable, net	670,071	107	670,178
Due from other funds	(155,147)	2,128	(153,019)
Inventories	-	(32,669)	(32,669)
Accounts payable	37,264	36,088	73,352
Accrued wages	-	1,868	1,868
Accrued compensated absences	-	973	973
Net cash provided (used) by operating activities	<u><u>\$ (55,788)</u></u>	<u><u>\$ 440,060</u></u>	<u><u>\$ 384,272</u></u>

COMBINING STATEMENTS OF
FIDUCIARY NET POSITION

Martin County, Florida
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
September 30, 2023

	Private Purpose Trust		
	Annie E Meyers Trust Fund	D Slosberg Driver Education Trust	Total
ASSETS			
Cash and cash equivalents	\$ 738	\$ 33,311	\$ 34,049
Investments	172,018	6,419	178,437
Total assets	172,756	39,730	212,486
LIABILITIES			
Accounts payable and accrued claims	1,336	-	1,336
Total liabilities	1,336	-	1,336
NET POSITION			
Held in trust	<u>\$ 171,420</u>	<u>\$ 39,730</u>	<u>\$ 211,150</u>

Martin County, Florida
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Year Ended September 30, 2023

	Private Purpose Trust		
	Annie E Meyers Trust Fund	D Slosberg Driver Education Trust	Total
ADDITIONS:			
Fines and forfeitures	\$ -	\$ 66,752	\$ 66,752
Interest income	8,070	874	8,944
Net change in fair value of investments	1,245	42	1,287
Total additions	9,315	67,668	76,983
DEDUCTIONS:			
General government	2,216	-	2,216
Human services	-	65,000	65,000
Culture and recreation	25,301	-	25,301
Capital outlay	139,251	-	139,251
Total deductions	166,768	65,000	231,768
Change in net position	(157,453)	2,668	(154,785)
Net position - beginning	328,873	37,062	365,935
Net position - ending	<u>\$ 171,420</u>	<u>\$ 39,730</u>	<u>\$ 211,150</u>

Martin County, Florida
Combining Statement of Fiduciary Net Position
Custodial Funds
As of September 30, 2023

	Custodial Funds				
	Board of County Commissioners	Clerk of the Circuit Court	Sheriff	Tax Collector	Total
ASSETS					
Cash and cash equivalents	\$ 38,364	\$ 7,382,418	\$ 722,617	\$ 6,190,783	\$ 14,334,182
Investments	3,053,795	183,334	-	-	3,237,129
Accounts receivable	500	-	-	628,201	628,701
Total assets	3,092,659	7,565,752	722,617	6,818,984	18,200,012
LIABILITIES					
Accounts payable	19	-	-	-	19
Due to other governmental agencies	292,578	773,298	-	6,818,984	7,884,860
Deposits from individuals and corporations	-	-	210,756	-	210,756
Total liabilities	292,597	773,298	210,756	6,818,984	8,095,635
NET POSITION					
Restricted for:					
Individuals, organizations, and other governments	2,800,062	6,792,454	511,861	-	10,104,377
Total net position	\$ 2,800,062	\$ 6,792,454	\$ 511,861	\$ -	\$ 10,104,377

Martin County, Florida
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended September 30, 2023

	Custodial Funds				
	Board of County Commissioners	Clerk of the Circuit Court	Sheriff	Tax Collector	Total
ADDITIONS:					
Fees and charges collected for others	\$ 1,586,596	\$ 17,951,313	\$ 1,522,126	\$ -	\$ 21,060,035
Tax collections for Martin County					
Board of County Commissioners	-	-	-	278,055,911	278,055,911
Tax collections for other governments	-	-	-	278,076,846	278,076,846
Miscellaneous	-	-	1,487,062	8,059,912	9,546,974
Total additions	1,586,596	17,951,313	3,009,188	564,192,669	586,739,766
DEDUCTIONS:					
Payments to Martin County Board of County Commissioners	-	-	94,864	278,055,911	278,150,775
Payments to individuals, organizations, and other governments	580,431	17,176,198	2,898,785	278,076,846	298,732,260
Miscellaneous	-	-	-	8,059,912	8,059,912
Total deductions	580,431	17,176,198	2,993,649	564,192,669	584,942,947
Change in net position	1,006,165	775,115	15,539	-	1,796,819
Net position - beginning	1,793,897	6,017,339	496,322	-	8,307,558
Net position - ending	\$ 2,800,062	\$ 6,792,454	\$ 511,861	\$ -	\$ 10,104,377



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Martin County, Florida
For the Year Ended September 30, 2023

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.

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These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time	
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These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	
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			
	2014	2015	2016	2017
Governmental activities:				
Net investment in capital assets	\$ 573,142,960 ⁰	\$ 574,409,202	\$ 582,985,255	\$ 588,757,447
Restricted	30,472,560 ⁰	30,976,073	17,081,598	30,094,214
Unrestricted (deficit)	<u>(105,372,339) ⁰</u>	<u>(97,297,239)</u>	<u>(80,670,842)</u>	<u>(193,307,105)</u>
Total governmental activities net position	<u>498,243,181</u>	<u>508,088,036</u>	<u>519,396,011</u>	<u>425,544,556</u>
Business-type activities:				
Net investment in capital assets	199,404,782	207,660,423	213,980,503	215,089,431
Restricted	17,165,609	16,186,585	18,433,671	21,832,218
Unrestricted	<u>29,092,899</u>	<u>29,812,548</u>	<u>29,015,710</u>	<u>34,053,862</u>
Total business-type activities net position	<u>245,663,290</u>	<u>253,659,556</u>	<u>261,429,884</u>	<u>270,975,511</u>
Primary government:				
Net investment in capital assets	772,547,742	782,069,625	796,965,758	803,846,878
Restricted	47,638,169	47,162,658	35,515,269	51,926,432
Unrestricted (deficit)	<u>(76,279,440)</u>	<u>(67,484,691)</u>	<u>(51,655,132)</u>	<u>(159,253,243)</u>
Total primary government net position	<u>\$ 743,906,471 ¹</u>	<u>\$ 761,747,592</u>	<u>\$ 780,825,895</u>	<u>\$ 696,520,067 ²</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 2014 due to the implementation of GASB Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

² 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					
2018	2019	2020	2021	2022	2023
\$ 578,846,232	\$ 601,338,623	\$ 620,193,915	\$ 644,479,645	\$ 674,040,518	\$ 694,969,545
27,618,666	78,089,370	79,601,114	72,645,353	79,184,253	86,176,226
<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>(160,099,129)</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>	<u>621,046,642</u>
222,075,194	230,986,721	234,840,965	240,200,094	251,803,610	252,485,760
23,922,630	24,696,371	22,642,275	24,576,091	27,964,412	26,708,525
<u>35,987,367</u>	<u>43,574,404</u>	<u>48,197,642</u>	<u>52,728,188</u>	<u>58,457,579</u>	<u>72,134,385</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>	<u>351,328,670</u>
800,921,426	832,325,344	855,034,880	884,679,739	925,844,128	947,455,305
51,541,296	102,785,741	102,243,389	97,221,444	107,148,665	112,884,751
<u>(119,887,112)</u>	<u>(181,403,485)</u>	<u>(191,933,204)</u>	<u>(131,310,530)</u>	<u>(117,613,330)</u>	<u>(87,964,744)</u>
<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>	<u>\$ 972,375,312</u>

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

(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
EXPENSES				
Governmental activities:				
General government	\$ 55,399,076	\$ 54,161,287	\$ 60,130,281	\$ 81,825,734
Public safety	110,538,801	107,481,640	122,869,345	131,938,152
Physical environment	12,681,511	11,751,153	18,707,158	13,526,213
Transportation	19,847,299	20,620,634	26,668,080	28,034,919
Economic environment	2,241,285	2,398,875	2,762,139	3,117,596
Human services	6,480,653	7,023,863	5,477,529	6,736,303
Culture and recreation	15,905,736	15,396,102	19,164,676	18,380,784
Interest and fiscal charges on long-term debt	2,714,578	3,230,145	630,743	1,616,733
Total governmental activities expenses	<u>225,808,939</u>	<u>222,063,699</u>	<u>256,409,951</u>	<u>285,176,434</u>
Business-type activities:				
Water	16,536,794	16,850,339	18,001,230	18,107,855
Sewer	13,530,843	13,786,910	14,727,068	14,904,946
Solid waste	18,953,186	19,119,647	20,215,746	20,127,005
Airport	2,639,790	2,809,151	2,550,230	2,867,089
Golf Course	-	2,359,326	2,155,843	2,101,181
Total business-type activities expenses	<u>51,660,613</u>	<u>54,925,373</u>	<u>57,650,117</u>	<u>58,108,076</u>
Total primary government expenses	<u>277,469,552</u>	<u>276,989,072</u>	<u>314,060,068</u>	<u>343,284,510</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
General government	15,873,094	19,683,175	18,880,214	19,691,748
Public safety	8,605,980	9,640,170	10,745,708	10,758,372
Transportation	1,703,188	2,004,028	8,839,752	10,904,523
Other functions	2,594,932	3,042,410	3,077,146	2,831,719
Operating grants and contributions	12,680,230	13,422,146	22,469,288	17,742,156
Capital grants and contributions	5,889,876	5,605,898	8,272,209	5,967,672
Total governmental activities program revenues	<u>47,347,300</u>	<u>53,397,827</u>	<u>72,284,317</u>	<u>67,896,190</u>
Business-type activities:				
Charges for services:				
Water	16,389,530	17,005,577	17,303,188	18,217,161
Sewer	13,409,616	13,913,653	14,157,153	14,904,949
Solid waste	19,521,540	20,540,252	21,506,398	21,862,075
Airport	1,507,636	1,779,790	1,481,705	1,576,098
Golf course	-	1,318,018	1,567,205	1,360,820
Operating grants and contributions	421,894	201,730	332,825	200,619
Capital grants and contributions	2,577,450	2,153,427	5,905,610	8,303,835
Total business-type activities program revenues	<u>53,827,666</u>	<u>56,912,447</u>	<u>62,254,084</u>	<u>66,425,557</u>
Total primary government program revenues	<u>101,174,966</u>	<u>110,310,274</u>	<u>134,538,401</u>	<u>134,321,747</u>
NET (EXPENSE)/REVENUE				
Governmental activities	(178,461,639)	(168,665,872)	(184,125,634)	(217,280,244)
Business-type activities	2,167,053	1,987,074	4,603,967	8,317,481
Total primary government net expense	<u>\$ (176,294,586)</u>	<u>\$ (166,678,798)</u>	<u>\$ (179,521,667)</u>	<u>\$ (208,962,763)</u>

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

(Unaudited)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 72,222,820	\$ 76,708,159	\$ 79,135,836	\$ 75,361,775	\$ 85,325,812	\$ 102,078,425
122,941,121	154,948,452	169,589,316	144,875,113	158,136,849	191,319,890
12,611,453	17,690,501	11,060,466	16,740,196	22,771,324	13,298,997
25,588,350	27,226,015	28,414,094	29,169,914	29,412,843	33,905,051
3,248,157	4,059,861	5,405,614	4,154,570	4,288,422	4,999,612
7,886,328	7,889,435	6,810,278	6,871,475	10,301,735	10,371,687
18,885,864	20,964,724	20,177,931	20,136,453	22,873,413	26,458,187
2,608,387	2,989,916	3,857,091	3,604,741	3,327,847	2,557,362
<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>	<u>384,989,211</u>
18,418,508	17,832,021	20,783,312	20,004,112	21,074,105	25,834,707
15,067,538	14,587,226	17,002,334	16,365,667	17,241,291	21,136,459
22,071,898	22,236,926	24,059,828	24,840,568	29,494,994	32,951,595
2,855,588	3,478,010	3,980,649	4,349,095	4,405,569	4,711,842
2,241,544	2,049,446	1,946,739	1,841,329	2,113,005	2,908,332
<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>87,542,935</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>	<u>472,532,146</u>
21,959,446	21,216,292	16,486,527	21,485,811	19,482,273	23,786,198
11,453,571	15,071,983	14,724,266	14,918,377	16,609,532	18,325,226
11,597,968	13,938,681	12,119,256	12,949,824	13,802,036	18,083,467
3,430,711	3,992,216	2,795,721	4,699,863	4,470,817	5,063,029
18,071,188	14,985,006	23,916,661	41,371,889	25,006,137	30,288,497
6,929,695	8,821,957	12,076,458	18,841,365	23,769,195	19,128,528
<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>	<u>114,674,945</u>
17,908,528	18,978,060	19,511,132	20,580,094	21,749,161	22,352,116
14,652,432	15,527,504	15,963,653	16,838,259	17,794,768	18,288,096
23,033,917	22,846,245	22,996,139	24,322,357	28,638,951	31,834,483
1,790,287	2,055,359	2,322,456	2,390,699	2,595,806	2,574,564
1,242,475	1,155,034	415,710	598,792	1,617,717	2,373,176
698,657	434,240	58,136	2,378,552	657,230	189,872
7,994,611	11,383,405	7,803,941	8,117,671	18,893,522	14,005,114
<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>91,617,421</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>	<u>206,292,366</u>
(192,549,901)	(234,450,928)	(242,331,737)	(186,647,108)	(233,298,255)	(270,314,266)
6,665,831	12,196,218	1,298,305	7,825,653	17,618,191	4,074,486
<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>	<u>\$ (266,239,780)</u>

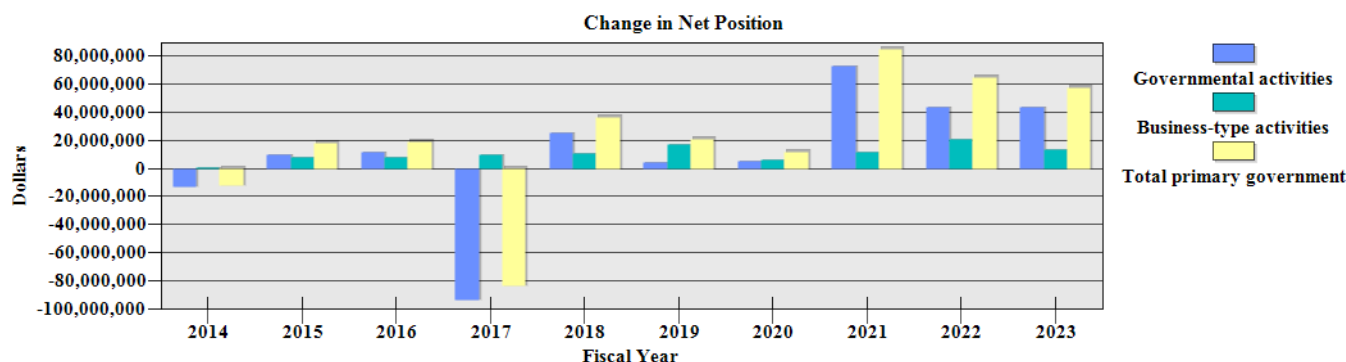
(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities:				
Taxes:				
Property taxes, levied for general purposes	\$ 136,804,070	\$ 143,978,913	\$ 153,708,854	\$ 163,537,265
Property taxes, levied for debt service	1,101,738	309,294	-	-
Sales tax	22,882,296	24,290,190	25,216,906	26,453,707
Communications taxes & other taxes	2,199,535	2,167,514	2,080,831	2,028,122
Contributions not restricted to specific programs	4,396,688	4,729,451	4,858,369	5,045,489
Investment earnings & net change in fair value of investments	916,374	1,345,004	1,015,589	1,627,547
Miscellaneous	3,915,548	4,625,758	9,004,747	4,591,058
Special item - capital contribution Veterans Memorial Bridge	97,693,027	-	-	-
Restatement	(104,935,581) ³	-	-	(78,071,499) ⁴
Transfers	50,000	(2,935,397)	(451,687)	(1,782,900)
Total governmental activities	165,023,695	178,510,727	195,433,609	123,428,789
Business-type activities:				
Investment earnings & net change in fair value of investments	906,800	1,345,849	1,000,223	1,257,963
Miscellaneous	1,791,371	1,727,946	1,714,451	1,771,328
Restatement	(3,887,508) ³	-	-	(3,584,045) ⁴
Transfers	(50,000)	2,935,397	451,687	1,782,900
Total business-type activities	(1,239,337)	6,009,192	3,166,361	1,228,146
Total primary government	163,784,358	184,519,919	198,599,970	124,656,935
CHANGES IN NET POSITION				
Governmental activities	(13,437,944)	9,844,855	11,307,975	(93,851,455)
Business-type activities	927,716	7,996,266	7,770,328	9,545,627
Total primary government	\$ (12,510,228)	\$ 17,841,121	\$ 19,078,303	\$ (84,305,828)

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.

³ 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*.

⁴ 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.



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

(Unaudited)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 177,654,874	\$ 188,544,685	\$ 206,468,520	\$ 217,707,071	\$ 229,168,584	\$ 248,887,922
-	-	-	-	-	-
27,201,598	26,718,241	26,360,535	30,512,386	34,107,017	35,308,134
2,022,644	1,841,005	1,754,554	1,693,712	1,730,964	1,783,644
5,112,842	5,406,243	5,102,288	5,870,682	7,370,554	7,698,778
3,056,643	5,946,573	4,610,976	948,091	(861,597)	14,553,799
3,237,554	10,360,764	4,385,411	4,251,128	5,797,255	7,662,098
-	-	-	-	-	-
-	-	-	-	-	-
(690,392)	(506,897)	(1,136,468)	(913,865)	53,060	(1,687,331)
<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>	<u>314,207,044</u>
1,802,142	2,701,675	2,047,743	910,004	546,485	5,081,809
1,851,316	1,867,515	1,940,870	2,173,969	2,609,613	2,259,442
-	-	-	-	-	-
690,391	506,897	1,136,468	913,865	(53,060)	1,687,331
<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>9,028,582</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>	<u>323,235,626</u>
25,045,862	3,859,686	5,214,079	73,422,097	44,067,582	43,892,778
11,009,680	17,272,305	6,423,386	11,823,491	20,721,229	13,103,069
<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>	<u>\$ 56,995,847</u>

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

(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 454,920	\$ 503,070	\$ 697,679	\$ 691,690
Restricted	-	589,757	291,012	255,066
Committed	10,235,000	10,000,000	12,118,821	-
Assigned	12,669,348	13,670,207	14,967,267	14,248,233
Unassigned	6,588,539	10,274,088	5,383,561	5,071,422
Total General Fund	<u>29,947,807</u>	<u>35,037,122</u>	<u>33,458,340</u>	<u>20,266,411</u>
Other governmental funds				
Nonspendable	1,076,965	1,215,170	1,542,426	1,439,591
Restricted	34,284,595	34,156,092	34,047,005	34,298,141
Committed	29,004,083	28,408,166	38,516,691	42,188,800
Assigned	8,663,092	9,115,052	13,180,233	24,678,083
Unassigned	(200,962)	-	(18,020)	(2,911,597)
Total other governmental funds	<u>\$ 72,827,773</u>	<u>\$ 72,894,480</u>	<u>\$ 87,268,335</u>	<u>\$ 99,693,018</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					
2018	2019	2020	2021	2022	2023
\$ 1,009,653	\$ 428,595	\$ 495,476	\$ 606,146	\$ 553,027	\$ 685,963
250,956	532,242	866,204	930,218	794,976	858,129
-	-	-	-	-	-
16,035,534	12,582,102	12,518,556	22,945,115	6,094,682	23,514,815
9,469,569	20,518,225	29,752,682	38,193,826	60,414,634	53,586,502
<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>	<u>78,645,409</u>
1,376,801	1,467,422	1,510,207	1,327,141	1,277,788	1,916,667
31,356,087	79,694,247	78,829,081	73,744,115	67,435,819	77,766,144
47,763,475	58,225,295	69,735,364	65,449,221	70,480,861	89,711,303
43,491,061	34,752,162	38,803,893	40,389,284	45,772,364	57,907,848
(688,331)	(1,872,251)	(3,743,228)	-	(20,865,209)	(14,421,147)
<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>	<u>\$ 212,880,815</u>

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

(Unaudited)

	Fiscal Year				
	2014	2015	2016	2017	2018
REVENUES					
Taxes	\$ 149,431,010	\$ 156,330,631	\$ 165,949,315	\$ 176,526,313	\$ 190,844,002
Permits, fees and special assessments	6,883,045	9,043,602	16,050,279	16,700,257	18,859,211
Intergovernmental revenues	33,299,908	33,570,648	46,178,269	38,601,668	42,394,731
Charges for services	19,194,095	20,888,270	21,801,676	22,631,331	23,373,480
Fines and forfeitures	2,341,530	2,610,061	2,431,495	1,858,250	1,968,848
Interest income	916,263	1,362,176	1,015,118	1,625,710	3,052,116
Net change in fair value of investments ²	-	-	-	-	-
Contributions - private sources & donations	-	-	-	587,128	1,824,125
Miscellaneous revenues	3,914,591	7,597,938	12,054,384	7,647,736	6,201,848
Interest income from leases	-	-	-	-	-
Total revenues	<u>215,980,442</u>	<u>231,403,326</u>	<u>265,480,536</u>	<u>266,178,393</u>	<u>288,518,361</u>
EXPENDITURES					
General government	48,900,686	49,976,819	54,116,377	66,940,228	67,542,558
Public safety	100,265,309	105,551,237	108,884,240	114,006,200	119,915,758
Physical environment	11,152,784	6,104,090	16,832,848	11,585,656	10,659,263
Transportation	10,887,161	10,774,798	16,168,819	16,752,567	13,878,569
Economic environment	2,204,224	2,536,617	2,875,403	3,212,106	3,277,611
Human services	6,326,816	5,986,228	6,889,048	6,599,584	7,776,731
Culture and recreation	10,972,175	13,246,401	13,802,127	14,204,491	15,416,463
Capital outlay	20,110,653	21,952,027	29,357,748	30,096,103	50,049,349
DEBT SERVICE:					
Principal	9,887,976	10,278,846	7,283,408	6,610,235	6,357,929
Interest	2,586,495	2,226,584	1,556,658	1,447,430	1,819,083
Other debt service costs	16,639	111,804	45,110	78,600	218,159
Total expenditures	<u>223,310,918</u>	<u>228,745,451</u>	<u>257,811,786</u>	<u>271,533,200</u>	<u>296,911,473</u>
Excess (deficiency) of revenues	(7,330,476)	2,657,875	7,668,750	(5,354,807)	(8,393,112)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	644,885	2,688,885	5,355,323	4,967,000	26,175,000
Refunding bond proceeds	-	23,135,000	-	-	-
Lease financings	-	-	-	-	-
SBITA financings	-	-	-	-	-
Payments to refunding agent	-	(22,779,999)	-	-	-
Transfers in	10,037,170	12,701,960	14,332,588	12,497,435	12,817,801
Transfers out	(9,987,170)	(13,528,190)	(14,561,588)	(12,876,874)	(8,526,378)
Total other financing sources (uses)	<u>694,885</u>	<u>2,217,656</u>	<u>5,126,323</u>	<u>4,587,561</u>	<u>30,466,423</u>
Net changes in fund balances	<u>\$ (6,635,591)</u>	<u>\$ 4,875,531</u>	<u>\$ 12,795,073</u>	<u>\$ (767,246)</u>	<u>\$ 22,073,311</u>
Debt service as a percentage of noncapital expenditures ⁵	6.14 %	6.05 %	3.87 %	3.34 %	3.31 %
Debt service as a percentage of total expenditures	5.59 %	5.52 %	3.45 %	3.00 %	2.83 %
Capital outlay as a percentage of total expenditures	9.01 %	9.60 %	11.39 %	11.08 %	16.86 %

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.

⁵ Debt service in this ratio only includes the principal and interest components of debt service.

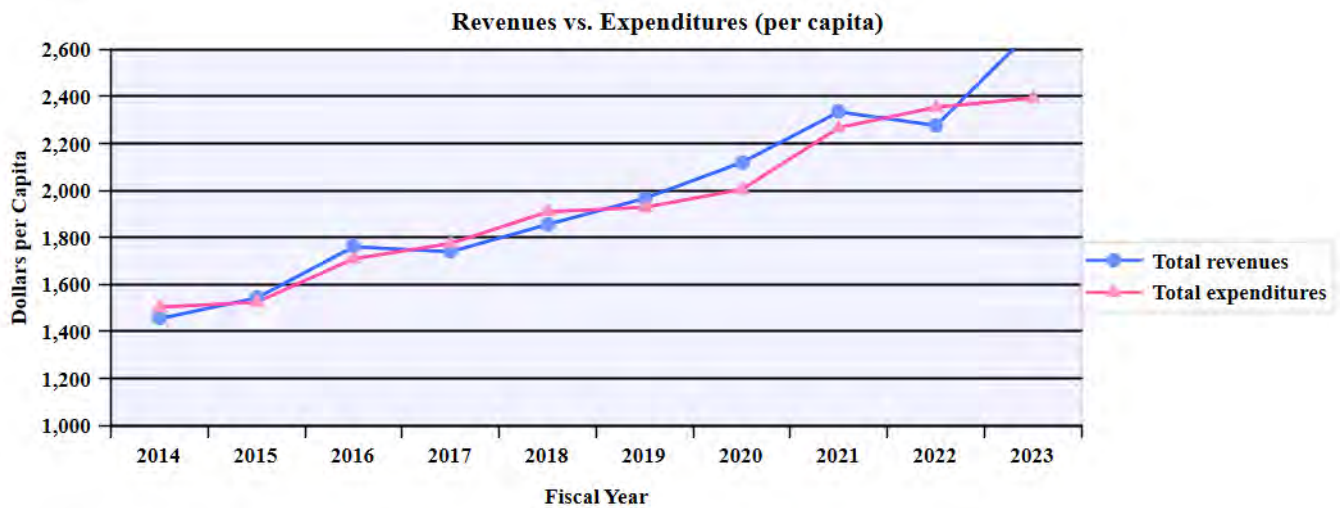
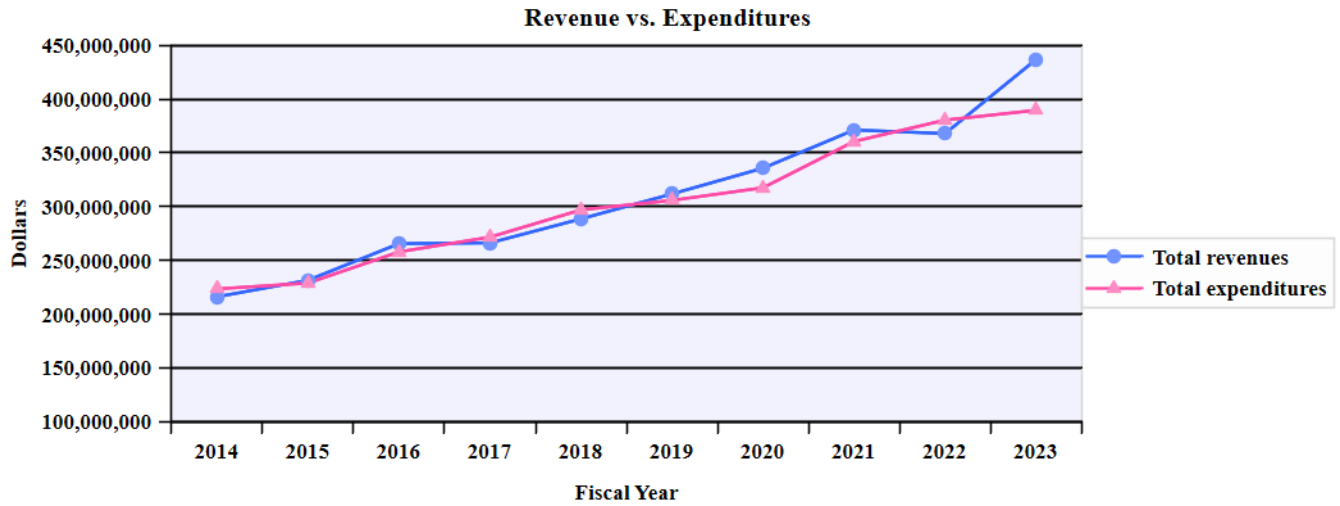
(Unaudited)

Fiscal Year				
2019	2020	2021	2022	2023
\$ 201,094,942	\$ 218,615,430	\$ 230,675,039	\$ 243,537,632	\$ 264,271,264
23,061,318	20,379,331	23,782,956	24,128,786	30,263,587
37,501,958	55,208,606	76,825,330	56,893,212	80,747,827
27,080,987	26,239,453	28,093,822	29,510,425	32,666,364
1,954,037	1,842,571	2,000,336	1,980,014	2,024,429
5,937,140	4,605,218	946,398	2,012,173	12,198,644
-	-	-	(2,873,738)	2,330,379
7,234,797	1,057,586	852,939	2,655,778	779,613
7,869,702	7,791,479	8,081,534	10,066,632	11,601,914
-	-	-	9,152	16,666
<u>311,734,881</u>	<u>335,739,674</u>	<u>371,258,354</u>	<u>367,920,066</u>	<u>436,900,687</u>
63,364,085	65,420,054	68,400,886	74,740,429	83,825,030
127,294,502	137,362,518	152,794,447	148,186,307	159,305,176
15,420,796	8,481,826	14,655,512	19,986,181	10,177,203
13,904,016	14,420,850	15,024,851	14,344,846	16,727,802
3,994,326	5,314,723	4,227,196	4,188,870	4,284,979
7,689,971	6,607,913	6,798,599	10,206,178	10,209,662
16,906,201	16,311,583	17,815,346	19,622,382	22,077,982
44,228,195	49,182,342	64,586,074	68,130,444	63,719,432
9,987,385	10,079,893	12,194,673	17,227,060	16,156,829
2,611,891	4,263,646	4,042,197	3,781,946	3,092,645
343,405	58,436	23,070	73,843	43,394
<u>305,744,773</u>	<u>317,503,784</u>	<u>360,562,851</u>	<u>380,488,486</u>	<u>389,620,134</u>
5,990,108	18,235,890	10,695,503	(12,568,420)	47,280,553
50,589,064	6,935,079	5,012,851	12,189,298	542,782
-	-	-	-	-
-	-	-	2,427,918	2,045,444
-	-	-	-	2,045,444
-	-	-	(11,857,000)	-
11,047,017	14,015,604	41,802,487	28,246,921	25,984,567
(11,362,955)	(16,746,377)	(42,694,010)	(30,064,839)	(25,817,652)
<u>50,273,126</u>	<u>4,204,306</u>	<u>4,121,328</u>	<u>942,298</u>	<u>4,800,585</u>
<u>\$ 56,263,234</u>	<u>\$ 22,440,196</u>	<u>\$ 14,816,831</u>	<u>\$ (11,626,122)</u>	<u>\$ 52,081,138</u>
4.82 %	5.35 %	5.49 %	6.73 %	5.91 %
4.23 %	4.54 %	4.51 %	5.54 %	4.95 %
14.47 %	15.49 %	17.91 %	17.91 %	16.35 %

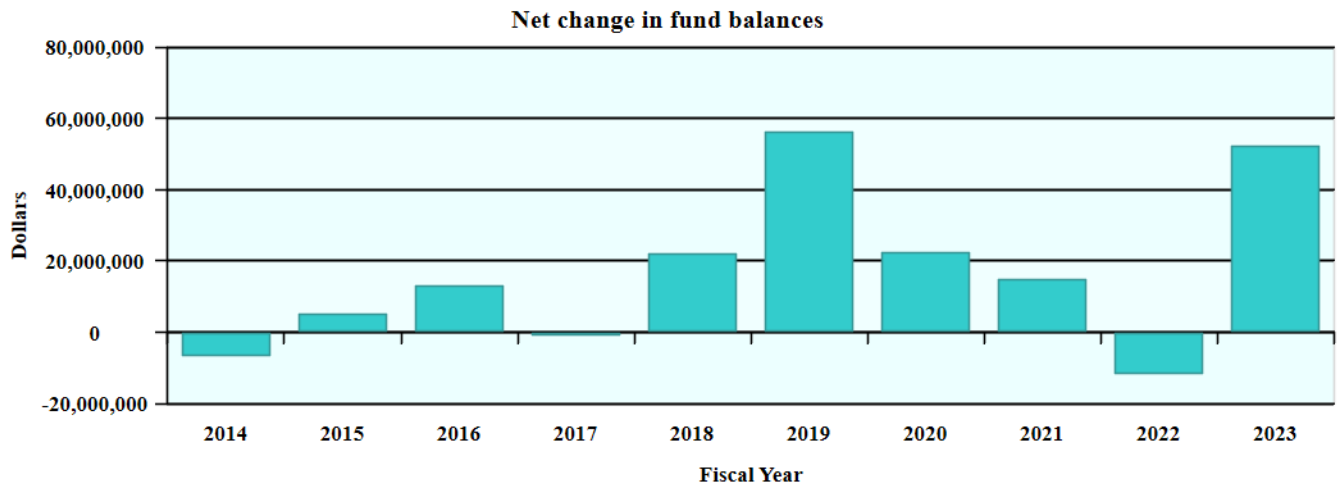
Martin County, FL

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
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
2023	32,857,426,260	4,404,989,502	2,337,378,369	1,815,257,650	41,415,051,781

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
\$ 2,751,732,111	\$ 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
3,292,862,395	72,515,839	44,780,430,015	16,636,321,000	28,144,109,015	10.0446

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

(Unaudited)

	Fiscal Year Taxes Are Payable			
	2014	2015	2016	2017
County Direct Rates				
General- Countywide				
General Fund	5.8300	5.9651	6.1264	6.2407
Bonds - FIT	0.0368	-	-	-
Municipal Service Taxing Units ⁶	1.0240	1.0486	1.0660	3.1737
Total County Direct Rate	6.8908	7.0137	7.1924	9.4144
Overlapping Rates - Countywide				
School Board	7.2780	7.1380	7.0980	6.8810
Children's Services	0.3693	0.3618	0.3618	0.3618
South Florida Water Management	0.4110	0.3842	0.3551	0.3307
Florida Inland Navigation District	0.0345	0.0345	0.0320	0.0320
Overlapping Rates - Non-Countywide				
City of Stuart	4.8020	4.8540	4.8327	4.8224
Town of Jupiter Island	4.7047	4.5813	4.4270	4.3087
Town of Ocean Breeze Park	5.0619	4.9472	3.9814	5.2177
Town of Sewall's Point	2.3500	2.6000	2.8700	2.8700
Village of Indiantown	-	-	-	-
Drainage Districts ⁷	5.10-68.29/ac	5.82-68.27/ac	5.82-68.27/ac	5.78-68.23/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.

⁶ 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.

⁷ 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 2023 is \$1,486,103. This is 0.58% of the total original levy of \$258,288,054.

(Unaudited)

Fiscal Year Taxes Are Payable					
2018	2019	2020	2021	2022	2023
6.3887	6.5971	6.6928	6.7618	6.7934	6.5559
-	-	-	-	-	-
3.2339	3.4247	3.6646	3.6033	3.5604	3.4887
9.6226	10.0218	10.3574	10.3651	10.3538	10.0446
6.5520	6.8620	6.6480	6.4470	6.3230	5.9880
0.3618	0.3618	0.3618	0.3618	0.3618	0.3618
0.3100	0.2936	0.2795	0.2675	0.2572	0.2301
0.0320	0.0320	0.0320	0.0320	0.0320	0.0320
4.7572	4.9962	5.3202	5.2136	5.2004	5.1700
4.1724	4.1027	4.0391	4.0214	4.0214	4.0215
5.4750	6.3826	4.8008	3.0800	1.4000	1.0000
2.8700	2.8700	2.8700	2.8700	3.2688	3.2700
-	4.2623	1.6304	1.6304	1.6304	1.6304
5.78-123.61/ac	5.78-123.61/ac	5.78-123.61/ac	20.45-156.39/	20.45-156.39/ac	98.02-219.37/ac

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

(Unaudited)

Taxpayer	2023			2014		
	Taxable Assessed Valuation	Rank⁸	Percentage of Total Taxable Valuation	Taxable Assessed Valuation	Rank⁸	Percentage of Total Taxable Valuation⁸
Florida Power & Light Company	\$ 2,357,260,553	1	9.39%	\$ 1,884,170,525	1	10.96 %
Florida Southeast Connection	95,182,942	2	0.38%	-	-	- %
Publix Super Markets, Inc.	86,572,354	3	0.34%	-	-	- %
Jeffrey H. Sands	78,420,626	4	0.31%	-	-	- %
Treasure Coast-JCP Assoc. LTD	56,829,770	5	0.23%	74,269,101	3	0.43 %
Florida Gas Transmission CO	50,335,596	6	0.20%	48,655,135	4	0.28 %
Jupiter Island Irrevocable Homestead Trust	47,097,178	7	0.19%	-	-	- %
PRCP-Stuart LLC	44,284,590	8	0.18%	-	-	- %
Palm Trust , Kapp Stuart T TTEE	43,630,650	9	0.17%	-	-	- %
Arium Jensen Beach LLC	38,059,815	10	0.15%	-	-	- %
Indiantown Congregation, LP	-	-	-%	235,550,633	2	1.37 %
Christopher J. Hubman (TR)	-	-	-%	45,751,170	5	0.27 %
Gulfstream Natural Gas	-	-	-%	41,609,315	6	0.24 %
Louis Dreyfus Citrus Inc.	-	-	-%	29,327,378	7	0.17 %
Edward H. Hamm (TR)	-	-	-%	28,311,850	8	0.16 %
Sandhill Cove Properties, Inc.	-	-	-%	26,119,360	9	0.15 %
Bre Throne Martin Downs	-	-	-%	25,198,310	10	0.15 %
Total	\$ 2,897,674,074		11.54 %	\$ 2,438,962,777		14.18 %

Source: Martin County Tax Collector

⁸ Based 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>
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
2023	258,288,054	(9,567,770)	248,720,284

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
\$ 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	206,035	229,129,627	100.00 %
248,665,111	99.98	-	248,665,111	99.98 %

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

(Unaudited)

Fiscal Year	Governmental Activities						
	General Obligation Bonds	Revenue Bonds & Notes	Financed Purchase Agreements	Long-Term Leases	Subscription Arrangements	State Loans	Notes Payable
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	1,877,815	-	-	-
2023	-	65,733,548	16,877,361	9,652,962	1,487,768	-	-

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 2023.

⁹ See the schedule of demographic and economic statistics for personal income and population data.

¹⁰ These 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 Income⁹	Per Capita¹⁰
\$ 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	0.87 %	962
46,089,176	9,175,960	137,876,045	-	847

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

(Unaudited)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Net General Bonded Debt</u>	<u>Percentage of Actual Taxable Value of Property¹¹</u>	<u>Per Capita¹²</u>
2014	\$ 1,160,000	\$ 1,289,425	\$ (129,425)	- %	\$ (0.87)
2015	590,000	590,000	-	- %	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-

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.

¹¹Taxable value data can be found on the schedule of Assessed Value and Actual Value of Taxable Property.

¹²Population data can be found on the Demographic and Economic Statistics schedule.

Martin County, Florida
Direct and Overlapping Governmental Activities Debt
September 30, 2023

(Unaudited)

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹³</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Stuart			
Revenue Bonds and Notes	\$ 5,363,131	100%	\$ 5,363,131
General Obligation Bonds	4,330,000	100%	4,330,000
Town of Jupiter Island			
General Obligation Notes Payable	4,012,586	100%	4,012,586
Martin County School Board			
Bonds Payable	1,330,000	100%	1,330,000
Certificates of Participation	52,742,000	100%	52,742,000
South Florida Water Management District			
Certificates of Participation	305,610,000	2.40%	7,334,640
Subtotal, overlapping debt			75,112,357
Martin County Direct Debt			<u>93,751,640</u>
Total direct and overlapping debt			<u><u>\$ 168,863,997</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.

¹³These 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 ¹⁴			
	Gross Revenues	Debt Service		Coverage
		Principal	Interest	
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
2023	8,698,915	2,386,000	191,695	3.37

Fiscal Year	Half-Cent Sales Tax Revenue Bonds, Series 2019¹⁵			
	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
2023	21,708,437	1,380,000	1,577,750	7.34

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.

¹⁴The 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.

¹⁵The 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)

	2023	2022	2021	2020	2019
<i>PRIMARY DEBT SERVICE COVERAGE</i>					
Operating revenues	\$ 40,640,212	\$ 39,543,928	\$ 39,209,570	\$ 37,044,677	\$ 36,021,167
General and administrative expenses (a)	(23,028,305)	(19,193,620)	(18,030,661)	(21,166,024)	(16,299,794)
Non-operating income (b)	2,213,918	1,198,674	2,837,646	1,474,821	3,090,891
Special assessment fees (c)	1,930,699	1,740,722	1,807,404	1,373,096	1,161,238
Net revenues available for debt service	21,756,524	23,289,704	25,823,959	18,726,570	23,973,502
Connection fees (d)	3,451,189	4,587,971	2,671,637	4,724,950	2,503,745
Net revenues & connection fees	25,207,713	27,877,675	28,495,596	23,451,520	26,477,247
Debt service requirements (e)	\$ 6,817,380	\$ 6,815,663	\$ 6,815,469	\$ 6,817,937	\$ 6,817,333
Actual coverage:					
Excluding connection fees	3.19	3.42	3.79	2.75	3.52
Including connection fees	3.70	4.09	4.18	3.44	3.88
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	\$ 21,756,524	\$ 23,289,704	\$ 25,823,959	\$ 18,726,570	\$ 23,973,502
Less: revenue required for primary debt service coverage (f)	7,499,119	7,497,229	7,497,016	7,499,730	7,499,066
Less indirect costs	1,732,539	1,732,540	1,440,585	1,440,585	1,454,462
Adjusted net revenues	12,524,866	14,059,935	16,886,358	9,786,255	15,019,974
Debt service requirements (g)	\$ 1,296,690	\$ 1,387,362	\$ 1,018,629	\$ 969,566	\$ 954,500
Actual coverage	9.66	10.13	16.58	10.09	15.74
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)

	2018		2017		2016		2015		2014
\$	34,000,937	\$	34,466,916	\$	32,828,095	\$	32,294,920	\$	31,260,723
	(17,745,445)		(18,297,114)		(15,698,777)		(15,447,353)		(14,788,486)
	1,933,796		623,230		504,729		729,531		691,429
	1,187,735		1,267,559		1,220,289		1,219,968		643,087
	<u>19,377,023</u>		<u>18,060,591</u>		<u>18,854,336</u>		<u>18,797,066</u>		<u>17,806,753</u>
	2,287,605		1,899,239		1,363,074		1,353,237		946,339
	<u>21,664,628</u>		<u>19,959,830</u>		<u>20,217,410</u>		<u>20,150,303</u>		<u>18,753,092</u>
\$	6,816,309	\$	6,236,362	\$	6,825,909	\$	6,823,649	\$	6,831,083
	2.84		2.90		2.76		2.76		2.61
	3.18		3.20		2.96		2.95		2.75
	1.10		1.10		1.10		1.10		1.10
	1.20		1.20		1.20		1.20		1.20
\$	19,377,023	\$	18,060,592	\$	18,854,336	\$	18,797,066	\$	17,806,753
	7,497,940		6,859,998		7,508,500		7,506,014		7,514,190
	<u>1,454,462</u>		<u>1,554,623</u>		<u>1,554,623</u>		<u>1,460,459</u>		<u>1,460,459</u>
	10,424,621		9,645,971		9,791,213		9,830,593		8,832,104
\$	954,499	\$	798,090	\$	722,157	\$	722,157	\$	455,946
	10.92		12.09		13.56		13.56		19.37
	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 Income¹⁶	Per Capita Personal Income		
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	17,875,112	110,336	2.4	53.4
2023	162,847 ¹⁷	N/A	N/A	3.2	53.7 ¹⁸

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 2018-2023 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

¹⁶In thousands of dollars.

¹⁷This is an estimate based on projections by the University of Florida Bureau of Economic & Business Research.

¹⁸This is an estimate from 2022; data is not available for 2023.

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

(Unaudited)

Employer	2023			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Cleveland Clinic, formerly known as Martin Memorial Health Systems	3,900	1	4.90 %	3,120	1	4.71 %
Martin County School District	3,125	2	3.93 %	2,528	2	3.81 %
Martin County Government	1,876	3	2.36 %	1,634	3	2.47 %
Publix Supermarkets	1,422	4	1.79 %	-		- %
Visiting Nurse Association	411	5	0.52 %	-		- %
Weath Revery Solutions	365	6	0.46 %	-		- %
Day & Zimmermann NPS	360	7	0.45 %	-		- %
Liberator Medical Supply	340	8	0.43 %	316	7	0.48 %
Triumph Aerostructures	333	9	0.42 %	324	6	0.49 %
Home Depot	329	10	0.41 %	-		- %
State of Florida	-		- %	506	4	0.76 %
Paradigm Precision	-		- %	369	5	0.56 %
Florida Power & Light	-		- %	302	8	0.46 %
Seacoast National Bank	-		-	302	9	0.46 %
City of Stuart	-		-	254	10	0.38 %
Total	12,461		15.67 %	9,655		14.58 %

Sources: The labor force figures are from the Florida Department of Economic Opportunity. The Bureau of Workforce Statistics and Economic Research 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://floridajobs.org/wser-home/employer-database>.

Note:

The data presented in this list may include part time and full time employees. The labor force figures for 2023 and 2014 are 79,605 and 66,267, 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 30¹⁹</u>			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General government	335.66	362.27	344.15	361.97
Public safety				
Ambulance and fire rescue services	292.00	279.00	288.00	284.83
Police protection	282.00	265.00	263.00	266.00
Corrections	120.00	122.00	117.00	136.00
Other	271.00	276.00	292.00	255.17
Physical environment				
Solid waste	18.40	20.70	19.60	18.40
Water sewer	94.20	91.90	91.15	94.35
Other	29.00	26.80	27.70	29.10
Transportation				
Airport	5.00	6.00	7.00	6.00
Road and street	67.00	70.00	70.50	78.75
Economic environment	7.90	7.55	9.55	9.55
Human services	8.95	8.60	11.75	12.35
Culture and recreation				
Libraries	44.73	45.73	45.00	48.00
Parks and recreation	58.40	73.00	67.00	72.00
Total	1,634.24	1,654.55	1,653.40	1,672.47

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

¹⁹Note: 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					
2018	2019	2020	2021	2022	2023
369.30	387.55	386.70	381.21	389.68	391.25
278.60	323.00	326.15	328.15	325.32	341.81
267.00	276.00	282.00	283.00	287.00	288.00
136.00	135.00	135.00	152.00	150.00	132.00
272.75	276.00	278.85	257.85	273.68	301.19
21.40	24.40	23.40	27.40	28.70	28.40
95.35	97.35	98.35	102.35	104.30	104.60
27.70	29.80	28.40	27.20	30.80	32.10
6.00	7.00	7.00	8.00	7.00	7.80
84.41	85.06	79.86	86.76	91.46	89.86
10.30	11.30	12.30	11.85	13.05	12.55
13.75	15.75	17.35	16.35	17.35	18.35
47.00	46.00	50.00	50.00	51.00	50.00
78.00	78.00	77.00	81.00	76.00	78.00
1,707.56	1,792.21	1,802.36	1,813.12	1,845.34	1,875.91

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

(Unaudited)

Function/ Program	Fiscal Year			
	2014	2015	2016	2017
Public Safety				
Fire Rescue				
Number of calls answered	18,241	19,630	21,392	24,015
Police Protection				
Number of calls answered	312,997	314,425	303,509	278,738
Number of citations	10,324	12,537	16,143	8,810
Number of law violations	12,682	13,811	15,559	10,509
Number of arrests	6,560	6,257	6,019	6,558
Physical Environment				
Water quality/Stormwater				
Basin acres treated	10,146	12,200	17,709	17,997
Treated run-off (in acre-feet)	324.8	365.0	390.3	442.0
Treated run-off (in million gallons)	107.3	119.0	127.2	144.0
Water				
New connections	549	442	476	300
Average daily consumption (million gallons per day)	9.342	9.518	9.684	9.465
Sewer				
Average daily sewage treatment (million gallons per day)	4.147	4.148	4.286	5.029
Solid Waste				
Waste disposal (in tons) ¹	167,137	187,396	204,091	207,532
Recycling materials (in tons) ¹	72,057	81,253	89,004	89,241
Transportation				
Engineering				
Linear miles of paved roadway maintained	513.66	514.59	514.68	529.00
Linear miles of unpaved roadway maintained	14.67	14.10	14.10	14.10
Number of street lights maintained	5,191	5,438	5,568	5,571
Number of traffic signals maintained	193	199	197	203
Number of bridges maintained	51	51	52	53
Lineal feet sidewalks repaired/replaced	10,526	8,088	8,174	11,050
Human Services (in numbers of residents)				
Prescription assistance	93	12	13	39
Indigent medical assistance - hospitalization/physician services	387	453	434	457
Veterans Services-Client Contact	-	-	-	-
Clients served through HUD grants	-	-	-	-
Speciality Court client case managed	-	-	-	-
Culture and Recreation				
Libraries				
Library items borrowed	1,045,482	970,947	949,737	904,316
Library visits	841,697	786,970	702,303	688,042
Program attendance	61,483	80,287	80,212	82,113
Parks				
Number of programs offered	155	160	165	169
Number of participants	407,517	425,100	437,800	450,900

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					
2018	2019	2020	2021	2022	2023
22,694	23,706	24,526	26,630	27,870	28,026
296,033	288,557	294,948	270,100	262,706	278,889
5,861	6,892	4,968	4,975	6,108	8,608
10,056	9,325	6,544	6,147	7,892	8,281
6,338	5,679	4,287	3,924	3,297	3,617
18,225	18,225	18,610	18,610	18,610	21,470
472.5	472.5	509.6	509.6	509.6	570.6
155.9	155.9	168.0	168.0	168.0	358.0
606	691	594	637	755	967
10.163	10.186	9.442	10.910	11.515	11.740
4.295	4.117	5.027	4.340	4.482	4.640
232,266	301,319	306,450	335,718	347,908	381,834
105,230	98,634	101,294	105,752	99,404	104,736
498.75	499.96	500.47	501.23	501.46	501.54
15.19	14.16	14.00	14.00	13.99	13.99
5,531	5,544	5,109	5,285	5,294	5,594
202	212	209	232	234	238
53	53	53	59	59	59
12,035	12,082	5,943	5,426	7,340	4,473
72	24	5	3	-	-
436	347	545	520	242	517
-	-	18,153	12,586	17,025	16,500
-	-	31	33	32	34
-	-	110	102	196	128
857,851	810,360	557,550	645,918	729,015	791,765
667,187	640,868	341,999	329,496	424,750	470,708
78,599	77,313	67,051	25,498	61,588	95,706
269	261	178	279	404	258
528,762	447,712	296,763	289,583	395,093	432,978

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

(Unaudited)

Function/ Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Fire Rescue										
Number of fire engines	16	16	16	17	17	17	17	16	16	18
Number of ambulances	18	18	18	20	20	20	20	23	23	23
Number of stations	14	14	14	13	12	12	12	12	12	12
Police Protection										
Number of stations/field offices	9	9	9	8	8	8	8	8	8	8
Physical Environment										
Water quality/Stormwater										
Stormwater treatment area (in acres)	178.74	203.14	240.86	251.00	276.53	276.53	284.77	285.00	285.00	306.45
Water										
Water mains (in miles)	543	546	546	557	568	582	586	592	601	597
Fire hydrants	3,514	3,555	3,591	3,604	3,759	3,885	3,931	3,974	4,032	3,903
Sewer										
Vacuum pump stations ¹	3	3	3	3	4	4	4	4	4	5
Pump stations - Liftstations ¹	390	391	391	391	394	403	410	414	423	378
Sewer grinder stations ¹	33	33	33	33	33	86	187	442	635	777
Sewer mains (in miles) ¹	380	382	383	386	389	400	415	430	454	500
Reuse water mains (in miles)	39	39	39	39	39	40	41	40	39	33
Transportation										
Engineering										
Linear miles of paved roadway	513.66	514.59	514.68	529.00	498.75	499.96	500.47	501.23	501.46	501.54
Linear miles of unpaved roadway	14.67	14.10	14.10	14.00	15.19	14.16	14.00	14.00	13.99	13.99
Number of street lights	610	698	709	725	745	752	809	951	987	1,011
Number of traffic signals	105	106	106	110	108	118	120	115	117	117
Number of bridges	51	51	52	53	53	53	59	59	59	59
Culture and Recreation										
Library										
Library collection	382,683	326,392	287,400	299,069	291,789	313,457	324,566	353,394	363,751	380,994
Number of libraries	7	7	7	6	6	6	6	6	6	6
Parks										
Number of parks ²	74	76	76	76	76	75	72	73	73	73
Number of acres managed ²	1,522	1,784	1,784	1,784	1,776	1,776	1,719	1,730	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	37	39	39	36	36	36	33	33	33	33
Number of football/soccer fields	23	25	25	30	30	30	28	28	28	28
Number of community centers	13	12	12	12	12	12	10	10	10	10
Number of boat ramps	26	26	26	26	26	26	26	26	26	26
Linear footage of publicly owned beaches	16,363	14,802	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, 2023

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Martin County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2023

Federal Grantor/State Agency	Assistance Listing / CSFA #	Grant Fund #	Grant/Contract #	Expenditures		
				County	Subrecipient	Total
DEPARTMENT OF NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION						
Passed through Florida Fish & Wildlife Conservation Commission:						
Jensen Beach Impoundment Mangrove Restoration	11.022	125010	FWC 20329	\$ 48,000	\$ -	\$ 48,000
Total Department of National Oceanic Atmospheric Administration				48,000	-	48,000
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Direct awards						
Office of Community Planning and Development:						
Shelter Plus Care	14.267	120319	HUD S+C FL0835L4H092001	209	-	209
Shelter Plus Care	14.267	120320	HUD S+C FL0118L4H092114	98,465	-	98,465
Shelter Plus Care	14.267	120321	HUD S+C FL0117L4H092114	86,731	-	86,731
Shelter Plus Care	14.267	120322	HUD S+C FL0835L4H092102	71,363	-	71,363
Shelter Plus Care	14.267	120323	HUD S+C FL0117L4H092215	17,361	-	17,361
Shelter Plus Care	14.267	120324	HUD S+C FL0118L4H092215	20,642	-	20,642
Shelter Plus Care	14.267	120325	HUD S+C FL0835L4H092203	12,138	-	12,138
Total Department of Housing and Urban Development				306,909	-	306,909
U.S. FISH AND WILDLIFE SERVICE						
Direct awards						
Clean Vessel Act	15.616	12406	MV431	51,269	-	51,269
Clean Vessel Act	15.616	12409	MV449	85,016	-	85,016
Total U.S. Fish and Wildlife				136,285	-	136,285
U.S. DEPARTMENT OF INTERIOR, NATIONAL PARK SERVICE						
Passed through Florida Department of Environmental Protection:						
LWCF Old Palm City Place	15.916	12312	LW737	49,694	-	49,694
Total U.S. Department of Interior				49,694	-	49,694
U.S. DEPARTMENT OF TREASURY						
Coronavirus State & Local Fiscal Recovery Funds						
ARPA	21.027	15284		11,640,105	-	11,640,105
Total U.S. Department of Treasury				11,640,105	-	11,640,105
U.S. DEPARTMENT OF JUSTICE						
Direct awards						
Office of Justice Programs, Bureau of Justice Assistance:						
SCAAP	16.606	Sheriff	O-BJA-2020-62002	72,858	-	72,858
Equitable Sharing	16.922	Sheriff (Fund 1527)	FL0430000	14,000	-	14,000
				86,858	-	86,858
USDOJ Adult Drug Court Program #2	16.585	120011	2020-DC-BX-0141	112,845	-	112,845
Direct awards						
Drug Enforcement Administration:						
US Marshals Warrant	16.000	Sheriff	JLEO-23-0300	32,750	-	32,750
Operation Safe Streets	16.000	Sheriff		17,865	-	17,865
				50,615	-	50,615
Passed through the Florida Department of Law Enforcement:						
Edward Byrne Memorial Justice Assistance Grant	16.738	12073	8C130	64,493	-	64,493
Edward Byrne Memorial Justice Assistance Grant - Sheriff	16.751	Sheriff	15PBJA-21-GG-01352JAGX	785	-	785
Edward Byrne Memorial Justice Assistance Grant - Sheriff	16.751	Sheriff	15PBJA-22-GG-02456JAGX	26,321	-	26,321
				91,599	-	91,599
Passed through the Office of Attorney General, Office of Justice Programs, and Office of Victims of Crime:						
Victims of Crime Act Grant (VOCA)	16.575	Sheriff	VOCA-2022-951	72,531	-	72,531
Total Department of Justice				414,448	-	414,448

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, 2023

				Expenditures		
Federal Grantor/State Agency	Assistance Listing / CSFA #	Grant Fund #	Grant/Contract #	County	Subrecipient	Total
U.S. DEPARTMENT OF TRANSPORTATION						
Passed through Federal Aviation Administration:						
FAA Airport Master Plan	20.106	12617	AIP-3-12-0076-022-2019	\$ 131,346	\$ -	\$ 131,346
C-FAA Taxiway ALPHA	20.106	12623	AIP-3-12-0076-029-2022	2,574,137	-	2,574,137
V- SUA Weather Reporting Equipment	20.106	12624	AIP- 3-12-0076-030-2023	35,217	-	35,217
				<u>2,740,700</u>	<u>-</u>	<u>2,740,700</u>
Direct awards						
Federal Transit Administration:						
C-LAP	20.205	12888	FM#436425-1-58-01	178,767	-	178,767
St Lucie Blvd Resurfacing	20.205	12894	48348-1-58-01	28,057	-	28,057
CR707/Beach Rd - LAP	20.205	12896	435139-2-58-01	1,723,828	-	1,723,828
South of Green River Parkway	20.205	12897	444345-1-58-01	167,982	-	167,982
SE Ocean Blvd Sidewalk - LAP	20.205	128000	438346-2-58-01	493,408	-	493,408
Cove Rd Resurfacing - US1 to Dixie - LAP	20.205	128001	441701-1-58-01	346,953	-	346,953
Salerno Rd Sidewalk - Willoughby to Cable - LAP	20.205	128002	446072-1-58-01	224,335	-	224,335
MPO FY23 & FY24 FHWA Funds	20.205	128307	439328-4-14-01	592,739	-	592,739
				<u>3,756,069</u>	<u>-</u>	<u>3,756,069</u>
Section 5311 Non-Urbanized FY20	20.509	12890	G1L25	58,239	-	58,239
Section 5311 CARES ACT Non-Urbanized	20.509	12891	G1L72	104,699	-	104,699
Section 5311 FY21 Non-Urbanized	20.509	128224	G1W02	20,099	-	20,099
				<u>183,037</u>	<u>-</u>	<u>183,037</u>
MPO Section 5305 FY21-FY25	20.505	128104	G1V44	19,311	-	19,311
MPO Section 5305 FY22-FY25	20.505	128105	G2174	59,302	-	59,302
				<u>78,613</u>	<u>-</u>	<u>78,613</u>
Federal Transit Cluster:						
SECTION 5307 - FY17	20.507	128218	FL-2018-085-00	314,094	-	314,094
SECTION 5307 - FY18	20.507	128220	FL-2019-043-00	119,769	-	119,769
SECTION 5307 - CARES Act Urbanized Area	20.507	128221	FL-2020-090-00	599,157	-	599,157
Total Federal Transit Cluster				<u>1,033,020</u>	<u>-</u>	<u>1,033,020</u>
Total Department of Transportation				<u>7,791,439</u>	<u>-</u>	<u>7,791,439</u>
ENVIRONMENTAL PROTECTION AGENCY						
US EPA Grant	66.436	128753	02D02121	85,056	-	85,056
C-Septic Tanks	66.460	12405	NF092	389,000	-	389,000
FDEP OPC Ripple Stormwater Retro #2	66.460	12516	NF079	33,387	-	33,387
East Fork Creek Stormwater Quality Phase 1	66.460	12517	NF110	599,999	-	599,999
				<u>1,107,442</u>	<u>-</u>	<u>1,107,442</u>
EPA-Restore Seagrass in Indian River Lagoon	66.484	125011	FAIN 02D2122	33,909	-	33,909
Total Environmental Protection Agency				<u>1,141,351</u>	<u>-</u>	<u>1,141,351</u>
U.S. ELECTION ASSISTANCE COMMISSION (EAC)						
Passed through the Florida Department of State Division of Elections:						
2022 Election Security Grant	90.404	12914		89,740	-	89,740
Total U.S. Election Assistance Commission				<u>89,740</u>	<u>-</u>	<u>89,740</u>
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	344,459	-	344,459
Injury Prevention & Control Research & State and Community Based Program						
DOH Data to Action OPIOID - Year 3	93.136	129010	B91727	50,390	-	50,390
DOH Data to Action OPIOID - Year 4	93.136	129011	C0078D	67,446	-	67,446
				<u>117,836</u>	<u>-</u>	<u>117,836</u>
CDC National Center for Chronic Disease Prevention & Health						
CDC Drug Free Communities - Year 2	93.276	120101	5 NH28CE003044-02-00	68,401	-	68,401
CDC Drug Free Communities - Year 3	93.276	120102	5 NH28CE003044-03-00	50,208	-	50,208
				<u>118,609</u>	<u>-</u>	<u>118,609</u>
Community Services Block Grant						
CSBG FY17	93.569	12048	17SB-OD-12-00-01-023	104,201	-	104,201
CSBG FY21	93.569	12049	17SB-OD-12-00-01-123	482	-	482
				<u>104,683</u>	<u>-</u>	<u>104,683</u>
Substance Abuse and Mental Health						
Mental Health Awareness Training Program	93.243	120400	1H79SM084627-01	47,459	-	47,459
Total Department of Health and Human Services				<u>733,046</u>	<u>-</u>	<u>733,046</u>

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, 2023

				Expenditures		
Federal Grantor/State Agency	Assistance Listing / CSFA #	Grant Fund #	Grant/Contract #	County	Subrecipient	Total
Pass-Through Entity/Program Title						
DEPARTMENT/IND. AGENCY						
Executive Office of the President						
High Intensity Drug Trafficking Areas Program	95.001	Sheriff	G20MI0014A	\$ 2,047	\$ -	\$ 2,047
	95.001	Sheriff	G21MI0014A	25,777	-	25,777
	95.001	Sheriff	G22MI0014	128,207	-	128,207
	95.001	Sheriff	G23MI0014A	93,434	-	93,434
Total Department/IND. Agency				249,465	-	249,465
U.S. DEPARTMENT OF HOMELAND SECURITY						
Hazard Mitigation (HMP) - Bathtub Beach	97.036	128754	129058/DR-4468	64,070	-	64,070
Hazard Mitigation Grant						
FEMA DEM Hobe Heights H0584	97.039	127201	H0584	5,809	-	5,809
MacArthur Blvd Elevation	97.039	12898	H0829	2,175,681	-	2,175,681
SW Mockingbird Lane Drainage	97.039	127203	H0730	112,726	-	112,726
				2,294,216	-	2,294,216
Direct awards						
Emergency Management Preparedness (EMPG) FY22	97.042	127112	G0303	55	-	55
Emergency Management Preparedness (EMPG) FY23	97.042	127113	G0373	77,888	-	77,888
FY21-22 EMPG-ARPA (American Rescue Plan Act)	97.042	127122	G0349	50,000	-	50,000
				127,943	-	127,943
Passed through the Florida Division of Emergency Management:						
Operation Stonegarden	97.067		OPSG FY19 R0023	158,055	-	158,055
Total Department of Homeland Security				2,644,284	-	2,644,284
Total Expenditures of Federal Financial Awards				\$ 25,244,766	\$ -	\$ 25,244,766

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, 2023

				Expenditures		
Federal Grantor/State Agency	Assistance Listing / CSFA #	Grant Fund #	Grant/Contract #	County	Subrecipient	Total
FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS						
Passed through Division of Emergency Management:						
FY23 Emergency Preparedness	31.063	137112	A0239	\$ 85,540	\$ -	\$ 85,540
FY24 EMPA	31.063	137114	A0372	26,842	-	26,842
				112,382	-	112,382
Urban Search and Rescue	31.078	137113	T0271	12,000	-	12,000
Total Florida Department of Community Affairs				124,382	-	124,382
FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION						
Direct Programs						
Beach Management Funding Assistance Program						
Bathtub/Sailfish Point Beach	37.003	133001	21MI2	144,378	-	144,378
St Lucie IMP Implementation	37.003	133002	21MI3	813,541	-	813,541
St Lucie Inlet Management Plan	37.003	133786	20MI3	965,270	-	965,270
MC Shore Protection Plan	37.003	133004	21MI1	177,861	-	177,861
MC Shore Protection Plan	37.003	133005	22MI2	8,877	-	8,877
				2,109,927	-	2,109,927
East Fork Creek Stormwater	37.039	133787	LPQ0004	1,140,825	-	1,140,825
Seven Jays Sewer	37.039	13419	LPA0325	50,041	-	50,041
				1,190,866	-	1,190,866
Water Restoration Assistance						
SRF Golden Gate Sewer	37.077	13415	WW430210	1,295,052	-	1,295,052
Office of Resilience & Coastal Program						
Vulnerability Assessment Update	37.098	133008	22PLN13	65,550	-	65,550
Stormwater Backflow Prevention	37.098	13508	22SRP06	125	-	125
				65,675	-	65,675
Total Florida Department of Environmental Protection				4,661,520	-	4,661,520
FLORIDA HOUSING FINANCE CORPORATION						
Passed through State Housing Initiative Program:						
State Housing Initiative Program (SHIP)	40.901	13301	N/A	675,097	-	675,097
Total Florida Department of Community Affairs - Housing Finance				675,097	-	675,097
DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES						
Mosquito Control Work Program	42.003	13811	FDACS013082	78,579	-	78,579
Total Department of Agriculture & Consumer Services				78,579	-	78,579
FLORIDA DEPARTMENT OF STATE, DIVISION OF LIBRARY AND INFORMATION						
State Aid to Libraries	45.030	13234	20-ST-30	17,234	-	17,234
State Aid to Libraries	45.030	13235	21-ST-30	33,345	-	33,345
State Aid to Libraries	45.030	13236	22-ST-30	25,910	-	25,910
Total Florida Department of State, Division of Library and Information				76,489	-	76,489
FLORIDA DEPARTMENT OF TRANSPORTATION						
Transportation Disadvantaged Planning FY21-22	55.002	133512	G2965	17,959	-	17,959
Transportation Disadvantaged Planning FY21-22	55.002	133513	G2J04	1,828	-	1,828
				19,787	-	19,787
Direct Programs:						
FDOT Airport Master Plan	55.004	13671	433159-1-94-01	7,297	-	7,297
FDOT Airport Operations Center Phase 3	55.004	13675	443872-1-94-01	1,273,816	-	1,273,816
FDOT Air Traffic Control Tower Improvements	55.004	13676	445951-1-94-01	385,307	-	385,307
FDOT Construction Stormwater Impr.	55.004	13677	448892-1-94-01	24,970	-	24,970
FDOT Mill & Resurface Runway Design	55.004	13678	444025-1-94-01	30,256	-	30,256
FDOT Taxiway A Construction	55.004	13681	450931-1-94-01	143,369	-	143,369
FDOT SUA Weather Reporting Equipment	55.004	13682	451518-1-94-01	1,957	-	1,957
				1,866,972	-	1,866,972
SE Salerno Rd SCOP	55.009	133726	G1W98	1,059,864	-	1,059,864
SE Salerno Rd Resurfacing - SCOP	55.009	133727	G1W97	1,205,280	-	1,205,280
CRA1A/Dixie HWY Resurfacing SCOP	55.009	133728	G2193	697,919	-	697,919
				2,963,063	-	2,963,063
Public Transit Block Grant FY21	55.010	133607	G1V13	65,677	-	65,677
Public Transit Block Grant FY22	55.010	133608	G2470	375,143	-	375,143
				440,820	-	440,820
MC Treasure Coast Express - Transit Corridor	55.013	133606	G1S58	221,884	-	221,884
FDOT Sun Trail Network	55.038	133510	G1W11	36,480	-	36,480
Total Florida Department of Transportation				5,549,006	-	5,549,006

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, 2023

				Expenditures		
Federal Grantor/State Agency	Assistance Listing / CSFA #	Grant Fund #	Grant/Contract #	County	Subrecipient	Total
FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES						
DCF Substance Abuse Reinvestment Grant	60.115	13008	LHZ89	\$ 123,291	\$ -	\$ 123,291
Total Department of Children and Families				123,291	-	123,291
FLORIDA DEPARTMENT OF HEALTH, BUREAU OF EMERGENCY MEDICAL						
Direct Programs:						
Emergency Medical Services Matching Grant	64.005	13770	C0043	17,400	-	17,400
Florida EMS Trust Funds FY23	64.005	13771	C1043	4,897	-	4,897
Total Florida Department of Health, Bureau of Emergency Medical				22,297	-	22,297
STATE OF FLORIDA DEPARTMENT OF HEALTH						
Tobacco Free Florida	64.093	130000	COTKA	158,266	-	158,266
Total Florida Department of Health, Community Health Division				158,266	-	158,266
STATE OF FLORIDA DEPARTMENT OF MANAGEMENT SERVICES						
Florida's Local Government Cybersecurity						
Florida Digital Service software solutions	72.009	Clerk	DMS-22/23-266	30,951	-	30,951
Total Florida Department of Management Services				30,951	-	30,951
FLORIDA FISH AND WILDLIFE CONSERVATION COMMISSION						
Florida Boating Improvement Program						
Manatee Pocket Managed Mooring Field	77.006	133003	19030	304,405	-	304,405
Charlie Leighton Boat Ramp Improvements	77.006	139956	21110	38,326	-	38,326
J&S Boat Ramp Improvements	77.006	139957	21104	13,936	-	13,936
Jensen Beach Causeway Boat Ramp Impr	77.006	139958	21109	31,718	-	31,718
				<u>388,385</u>	<u>-</u>	<u>388,385</u>
Martin County/FOS Seagrass Nursery Expansion	77.051	133009	21262	12,414	-	12,414
Total Florida Fish and Wildlife				400,799	-	400,799
Total Expenditures of State Financial Assistance				\$ 11,900,677	\$ -	\$ 11,900,677

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, 2023

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, 2023. 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 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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 13, 2024.

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. However, material weaknesses may exist that have not been identified.

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 June 13, 2024.

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
June 13, 2024



**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, 2023. 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 and state projects for the fiscal year ended September 30, 2023.

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.

Honorable Board of County Commissioners
Martin County, Florida

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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 13, 2024, 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
June 13, 2024

MARTIN COUNTY, FLORIDA
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2023

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued:

Unmodified Opinion

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards and State Financial Assistance

Internal control over major programs/projects:

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

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

Unmodified Opinion

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

___ Yes X No

Identification of Major Federal Programs and Major State Projects:

Assistance Listing

Numbers

21.027
66.460

Name of Federal Programs

Coronavirus State and Local Fiscal Recovery Funds
Nonpoint Source Implementation Grants

CSFA Numbers

37.039
55.004
55.009

Name of State Projects

Statewide Water Quality Restoration Projects
Aviation Grant Programs
Small County Outreach Programs (SCOP)

Dollar threshold used to distinguish between Type A and Type B programs: Federal

\$757,343

State

\$750,000

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

 X Yes ___ No

MARTIN COUNTY, FLORIDA
Schedule of Findings and Questioned Costs (*Continued*)
For the Year Ended September 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

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

None reported.

SECTION IV - PRIOR-YEAR AUDIT FINDINGS

Finding 2022-001 was corrected in the current year.



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, 2023, and have issued our report thereon dated June 13, 2024.

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 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 2022-001.

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 \$10,021,813.

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
June 13, 2024



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, 2023. 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, 2023.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
June 13, 2024



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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2023



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Martin County, Florida
Clerk of the Circuit Court
For the Year Ended September 30, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the 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, 2023, 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Clerk as of September 30, 2023, 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 12 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, 2023, 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 23, 2024, 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 23, 2024



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**Martin County, Florida
Clerk of the Circuit Court
Special-Purpose Balance Sheet
Governmental Funds
September 30, 2023**

	General	Public Records Modernization	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 891,180	\$ 1,560,836	\$ 2,452,016
Investments	29,195	348,431	377,626
Accounts receivable	5,000	-	5,000
Due from other county agencies	6,037	-	6,037
Due from other governmental agencies	279,133	-	279,133
Inventories	254	-	254
Prepaid items	1,708	24,750	26,458
Total assets	\$ 1,212,507	\$ 1,934,017	\$ 3,146,524
LIABILITIES			
Accounts payable	\$ 289,721	\$ 90,486	\$ 380,207
Accrued wages payable	120,753	4,799	125,552
Due to Board of County Commissioners	261,237	-	261,237
Due to other governmental agencies	248,971	-	248,971
Deposits and other liabilities	2,460	-	2,460
Total liabilities	923,142	95,285	1,018,427
FUND BALANCES			
Nonspendable:			
Inventories	254	-	254
Prepaid items	1,708	24,750	26,458
Restricted for:			
Court operations	287,403	1,813,982	2,101,385
Total fund balances	289,365	1,838,732	2,128,097
Total liabilities and fund balances	\$ 1,212,507	\$ 1,934,017	\$ 3,146,524

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, 2023

	General	Public Records Modernization	Total Governmental Funds
REVENUES			
Intergovernmental revenues	\$ 678,712	\$ -	\$ 678,712
Charges for services	3,361,972	357,186	3,719,158
Fines and forfeitures	1,353,674	-	1,353,674
Interest income	125,499	-	125,499
Miscellaneous revenues	33,509	-	33,509
Total revenues	<u>5,553,366</u>	<u>357,186</u>	<u>5,910,552</u>
EXPENDITURES			
Current:			
General government	7,851,330	515,921	8,367,251
Capital outlay	11,574	-	11,574
Total expenditures	<u>7,862,904</u>	<u>515,921</u>	<u>8,378,825</u>
Deficiency of revenues under expenditures	<u>(2,309,538)</u>	<u>(158,735)</u>	<u>(2,468,273)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,272,040	-	2,272,040
Transfers out	(119,053)	-	(119,053)
Total other financing sources (uses)	<u>2,152,987</u>	<u>-</u>	<u>2,152,987</u>
Net change in fund balances	<u>(156,551)</u>	<u>(158,735)</u>	<u>(315,286)</u>
Fund balances - beginning	<u>445,916</u>	<u>1,997,467</u>	<u>2,443,383</u>
Fund balances - ending	<u>\$ 289,365</u>	<u>\$ 1,838,732</u>	<u>\$ 2,128,097</u>

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

Martin County, Florida
Clerk of the Circuit Court
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
General Fund
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ -	\$ 551,310	\$ 678,712	\$ 127,402
Charges for services	3,435,551	3,435,551	3,361,972	(73,579)
Fines and forfeitures	1,638,275	1,638,275	1,353,674	(284,601)
Interest income	6,933	123,933	125,499	1,566
Miscellaneous revenues	44,323	44,323	33,509	(10,814)
Total revenues	5,125,082	5,793,392	5,553,366	(240,026)
EXPENDITURES				
Current:				
General government	7,364,227	8,065,152	7,851,330	213,822
Capital outlay	-	-	11,574	(11,574)
Total expenditures	7,364,227	8,065,152	7,862,904	202,248
Deficiency of revenues under expenditures	(2,239,145)	(2,271,760)	(2,309,538)	(37,778)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,272,040	2,272,040	2,272,040	-
Transfers out	(32,895)	(183,895)	(119,053)	64,842
Total other financing sources (uses)	2,239,145	2,088,145	2,152,987	64,842
Net change in fund balance	-	(183,615)	(156,551)	\$ 27,064
Fund balance - beginning	-	183,615	445,916	
Fund balance - ending	\$ -	\$ -	\$ 289,365	

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, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 521,000	\$ 521,000	\$ 357,186	\$ (163,814)
EXPENDITURES				
Current:				
General government	723,755	723,755	515,921	207,834
Deficiency of revenues under expenditures	(202,755)	(202,755)	(158,735)	44,020
OTHER FINANCING USES				
Reserves	(1,568,905)	(1,568,905)	-	1,568,905
Net change in fund balance	(1,771,660)	(1,771,660)	(158,735)	\$ 1,612,925
Fund balance, beginning	1,771,660	1,771,660	1,997,467	
Fund balance, ending	\$ -	\$ -	\$ 1,838,732	

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, 2023

ASSETS

Cash and cash equivalents	\$ 7,382,418
Investments	<u>183,334</u>
Total assets	<u>7,565,752</u>

LIABILITIES

Due to other governmental agencies	<u>773,298</u>

TOTAL NET POSITION

Restricted for	
Individuals, organizations, and other governments	<u><u>\$ 6,792,454</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, 2023

ADDITIONS:

Fees and charges collected for others	\$ 17,951,313

Total additions	<u>17,951,313</u>

DEDUCTIONS:

Payments to individuals, organizations, and other governments	<u>17,176,198</u>

Total deductions	<u>17,176,198</u>

Change in net position	775,115

Total net position - beginning	<u>6,017,339</u>

Total net position - ending	<u><u>\$ 6,792,454</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, 2023

Note 1 - Summary of Significant Accounting Policies

The significant accounting policies followed by the Clerk of the Circuit Court of Martin County, Florida (the “Clerk”) are summarized below:

A. General Information

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

B. Reporting Entity and Financial Statement Presentation

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

Entity status for financial reporting purposes is governed by the Governmental Accounting Standards Board’s (“GASB”) Codification Section 2100 “Defining the Financial Reporting Entity.” Although the Clerk’s Office is operationally autonomous from the County, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Clerk is reported as a part of the primary government of Martin County, Florida.

The Clerk’s special-purpose financial statements are prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*, which require the Clerk to only present fund financial statements. In conformity with the Rules, the Clerk has not presented the government-wide financial statements, related disclosures or management’s discussion and analysis, which are required to present a complete presentation of its financial position and changes in financial position.

These financial statements are not intended to be a complete presentation of the financial position of the Clerk or Martin County, Florida as of September 30, 2023, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

C. Fund Accounting

The accounting records of the Clerk are organized on the basis of funds as prescribed by accounting principles generally accepted in the United States of America (“GAAP”) applicable to governments as established by the GASB. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Separate funds are maintained to account for specific government activities or to comply with special regulations or legal restrictions. Fund financial statements report detailed information about the Clerk. The focus of governmental fund financial statements is on a major fund rather than reporting funds by type. Each major fund is reported in a separate column. The various types and funds used by the Clerk are described as follows:

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2023

Major Funds

General Fund – This fund is used to account for all financial activity of the Clerk not accounted for in other funds. Revenue is derived primarily from intergovernmental revenue and charges for services. With the implementation of Revision 7 to Article V on July 1, 2004, the Clerk's activities are now classified as court-related and non-court-related. The Clerk's non court-related General Fund activity is funded through service charges for recording instruments and documents into the official records. Additionally, the Clerk to the Board operations are funded through the collection of ad valorem taxes by the Martin County Board of Commissioners, which is reported in the General Fund as transfers in. Excess revenues at the end of the year, that are required to be returned to the Martin County Board of County Commissioners, are reported as transfers out in the General Fund.

Court related activities are funded by the State in the form of fees charged by the Clerk for maintaining the County and Circuit Court records, and collecting the fines and fees assessed by the courts. These court fees are restricted and are to be used exclusively for funding court-related operations. Court-related activities are tracked and recorded in a sub-fund within the Clerk's General Fund. In FY14 the court's fiscal year was transitioned to match the county's fiscal year. Any unexpended court-related funds as of September 30 are due to the State by the 25th of January and are recorded as a liability to the Florida Department of Revenue. For FY23, the Clerk is due \$139,633 from the Florida Department of Revenue, recorded as an asset. In addition, in FY23 the Clerk identified unexpended funds from prior years and is reporting an adjustment of \$151,002 which will be paid to Florida Department of Revenue, reported as a liability. Court related fund balance as of September 30 is reported as Restricted for Court Operations.

Public Records Modernization Fund – This fund is a special revenue fund and is used to account for proceeds from recording fees and to support the operations of the Clerk of the Circuit Court. Fund Balances for Public Records Modernization Trust Fund is reported as Restricted for Court Operations.

Custodial Funds

These funds are used to account for assets of a governmental unit in the capacity of a trustee or agent for individuals, private organizations, other funds or other governmental units. The Clerk's custodial funds are: Court Fund, Fines and Forfeitures Fund, Support Fund, Registry Fund, Tax Redemption Fund, Documentary Stamp Fund, Intangible Tax Fund, Jury and Witness Fund, Escrow Fund, Online Auction Fund, and Cash and Surety Bonds Fund.

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, 2023

In applying the "susceptible to accrual" concept to intergovernmental revenues (grants, entitlements and shared revenue), the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental revenues are susceptible to accrual when the eligibility requirements have been met and the revenue is available as defined above.

Charges for services and miscellaneous revenues are recorded as revenues when received in cash, because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Custodial funds do not measure results of operations, but assets and liabilities are measured on the accrual basis of accounting. These funds are used to account for assets held by the Clerk as trustee or agent for individuals and/or other governmental units.

E. Budgets

The budget for the Clerk is prepared, adopted and amended in accordance with Chapter 129, Florida Statutes. The budget is balanced, meaning that total appropriations are equal to total revenues. The budgets for the General Fund and the Public Records Modernization Trust Fund are prepared on a basis consistent with GAAP.

The Clerk to Board budget process begins with the development of estimates by the Clerk. The estimates are reviewed, analyzed and submitted to the Martin County Board of County Commissioners (the "Board") for consideration on or about May 1.

The Board conducts several workshops to thoroughly review the budget and make adjustments as appropriate. Prior to September 30, two public hearings are conducted to hear comments and questions from the public regarding the non-court-related budget. The budget is adopted at the second public hearing through formal resolution of the Board.

The Florida Clerks of the Court are required to follow a budget procedure for the court-related functions they perform pursuant to s. 28.36 F.S. The law requires that the proposed court-related budget be prepared, summarized and submitted to the Clerk of Courts Operations Corporation (the "Corporation"). The budget for the 2023 fiscal year was due to the Corporation by June 1, 2022.

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, 2023

F. Cash and Cash Equivalents

For purposes of these statements, demand deposits and petty cash and short-term investments with original maturities of three months or less from date of acquisition are considered to be cash and cash equivalents. Investments in external investment pools, including the Local Government Surplus Funds Trust and Florida Local Government Investment Trust, as well as the interest bearing savings account at Valley National Bank, are considered to be investments.

G. Investments

GASB 72 requires the Clerk to use valuation techniques which are appropriate under the circumstances. Fair value is defined by GASB 72, as the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Clerk's investment in Florida PRIME is reported at amortized cost.

H. Due from Other County and Governmental Agencies

Due from other county and governmental agencies are recorded net of allowances for bad debts. Management has determined that allowances are not deemed to be necessary at September 30, 2023.

I. Capital Assets

Upon acquisition, capital assets are recorded as capital outlay expenditures of the appropriate governmental fund in these special-purpose financial statements. The Clerk maintains custodial responsibility for the capital assets used by her office; however, they are recorded in the financial statements of the County.

In the governmental activities section of the County's government-wide financial statements all capital assets with a cost of \$5,000 or greater and an estimated life of more than one year are capitalized and recorded at historical cost or estimated historical cost, if actual historical cost is not available.

Donated capital assets are recorded at their estimated acquisition value on the date donated. No depreciation has been provided on capital assets in these special-purpose financial statements, however, depreciation expense is recorded in the government-wide financial statements of the County.

J. Compensated Absences

It is the policy of the Clerk to permit employees to accumulate a limited amount of earned but unused paid leave time, which will be paid to employees upon separation from service. The Clerk of the Circuit Court does not, and is not legally required, to accumulate expendable available financial resources to liquidate this obligation. 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, 2023

L. Use of Estimates

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

M. Transfers In

In accordance with Florida Statutes, the Board is required to fund certain operations of the Clerk. These County appropriations are reported as transfers in and totaled \$2,272,040.

N. Transfers out

In accordance with Florida Statutes, all revenues in excess of expenditures for all non-court-related items at September 30, 2023, are due to the Board. All revenues in excess of appropriated budget authority for court related items through September 30, 2023, 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, 2023, were \$119,053.

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 \$254 and Prepaid items \$26,458). 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 \$2,101,385 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	\$	9,828,809
Petty cash		5,625
	\$	<u>9,834,434</u>

Deposits whose values exceed the limits of federal depository insurance are entirely insured or collateralized pursuant to Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*, (the Act). Under this Act, Florida's Chief Financial Officer shall determine the collateral requirements and the collateral pledging level for each qualified public depository in order to protect the integrity of the public deposits program. The Public Deposit Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2023

Clerk depositories at year-end were designated as qualified public depositories. The bank balance as of September 30, 2023, was \$9,799,388.

Cash Equivalents consist of amounts invested in Florida PRIME, the Florida Local Government Investment Trust (FLGIT) Day-to-Day Fund, and Valley National Bank. Florida PRIME and FLGIT are external investment pools that are not registered with the Securities Exchange Commission (SEC) but do operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows funds to use amortized cost to maintain a constant net asset value (NAV) of \$1.00 per share. Accordingly, the Clerk's investments in both Florida PRIME and FLGIT are reported at the amortized cost. There are no restrictions or fees to withdraw from either of these pools. The investment at Valley National Bank is an interest bearing savings account as a Qualified Public Depository (QPD).

Investments

The Clerk utilizes Florida Statutes section 218.415 as its investment policy. Florida Statutes authorize investments in the Local Government Surplus Trust Fund or other intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in 163.01, Florida Statutes; Securities and Exchange Commission registered money market funds with credit rating interest bearing time deposits or savings accounts in qualified public depositories as defined in 280.02, Florida Statutes; direct obligations of the U.S. Treasury.

The Clerk's investments at September 30, 2023, consisted of investments with the State Board of Administration's Investment Pool (the "Florida PRIME"), the Florida Local Government Investment Trust's Day to Day Fund (the "Day to Day Fund"), and QPD Valley National Bank. The Florida PRIME is rated by Standard and Poor's, with a current rating of AAAM. The Day to Day Fund is rated by Fitch, with a current rating of AAAM. At September 30, 2023, the weighted average day to maturity (WAM) was 35 days for the Florida PRIME and 37.91 days for the Day to Day Fund.

At September 30, 2023, the Clerk's office had an amortized cost basis of \$560,960 in investments, including \$96,663 with the State Board of Administration, \$111,457 with the Florida Local Government Investment Trust's Day to Day Fund, and \$352,840 with QPD Valley National Bank. The net asset value of these investments presented on the special-purpose financial statements was \$560,960.

Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration, <https://www.sbafla.com/prime>. Additional information for the Day to Day Fund may be obtained at <http://www.floridatrustononline.com/reports>.

Note 3 - Long-Term Liabilities

Changes in long-term liabilities for the year ended September 30, 2023, were as follows:

	Beginning 10/01/22	Additions	Reductions	Ending 09/30/23
Compensated absences	\$ 299,625	\$ 409,493	\$ (359,798)	\$ 349,320

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2023

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 \$240,026 in revenues in relation to budgeted revenues and a favorable variance of \$202,248 in operating and capital expenditures in relation to budgeted expenditures, for an overall net unfavorable variance of \$37,778. In addition, the Public Records Modernization Trust Fund reported an unfavorable variance of \$163,814 in revenue and a favorable variance of \$207,834 in expenditures in relation to budgeted revenues and expenditures, resulting in a net favorable variance of \$44,020 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 contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.) as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2023

The Investment Plan is administered by the State Board of Administration (SBA) and is reported in the SBA's annual financial statements and in the State of Florida's annual comprehensive financial report. Financial information on this plan is available on the web at <http://www.sbafla.com/>.

FRS and HIS Contributions

The Clerk's employer contributions to both plans totaled \$657,942 for the fiscal year ended September 30, 2023. The Clerk contributed 100 percent of its statutorily required contributions for the current and preceding two years for both plans.

Net Pension Liability

For financial reporting purposes, the Clerk is deemed to be part of the primary government of Martin County, Florida. A liability related to the Clerk's proportionate share of the aggregate net pension liability for both plans will be reported in the financial statements of the County for fiscal year ended September 30, 2023. 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 six years of creditable service. Participants first enrolled on or after July 1, 2011 will be vested, or eligible to receive future benefits after eight years of creditable service. Retirement, disability, and death benefits are based on age, average final compensation and years-of-service credit. For members initially enrolled in the FRS before July 1, 2011, average final compensation is the average of the five highest fiscal years of salary earned during covered employment. For members initially enrolled in the FRS on or after July 1, 2011, average final compensation is the average of the eight highest fiscal years of salary earned during covered employment. Members are eligible for normal retirement when they have met the minimum requirements established by their membership class. For members initially enrolled in the FRS before July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 62 or if they have 30 years of creditable service regardless of age. For members initially enrolled in the FRS on or after July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 65 or if they have 33 years of creditable service regardless of age. Early retirement may be taken any time after vesting. However, there is a 5% reduction of benefits for each year prior to normal retirement age or date. The percentage level of employees' payroll contribution rates is determined using the frozen entry age actuarial cost method.

Beginning July 1, 1998, the FRS implemented the Deferred Retirement Option Program (DROP), which is a program within the FRS Pension Plan that allows members to retire without terminating their employment for up to eight 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 4.0%. 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, 2023

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, 2023:

<u>Membership Class</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate*</u>
Regular	3.00%	13.57%
Special Risk	3.00%	32.67%
State Attorney/Public Defender	3.00%	62.72%
County, City, Special District Elected Officers	3.00%	58.68%
Special Risk Administrative Support	3.00%	39.82%
Senior Management	3.00%	34.52%
Deferred Retirement Option Program	N/A	21.13%

*Employer contribution rates in the above table include a 2.00% contribution for the Retiree Health Insurance Subsidy Program.

RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM

Benefits Provided

For the fiscal year ended September 30, 2023, 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, through June 30. Effective July 1, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 per month and a maximum HIS payment of \$225 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, 2023, the contribution rate was 1.66 percent of payroll through June 30 and 2.00 percent of payroll from July 1 through September 30. 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, 2023

FLORIDA RETIREMENT SYSTEM INVESTMENT PLAN

Vesting Provisions

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds.

Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

For more detailed information on these plans, please refer to the Retirement Note in the County's Annual Comprehensive Financial Report (ACFR).

Note 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-two (32) 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 \$129,403 were recognized for postretirement health care.

The Clerk's total OPEB liability is reported within the governmental activities column of the County's Statement of Net Position. Further information about OPEB is available in the County's Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023.

Note 7 – Risk Management

The Clerk is exposed to various risks of loss related to tort; theft of, damage to, and to destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk participates in the Self-Insurance program of the County. The coverage for employee health, property, general liability, automobile liability, workers'

Martin County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2023

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 \$1,077,400 during the fiscal year ended September 30, 2023, and are included as expenditures in the accompanying special-purpose financial statements. As of September 30, 2023, 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, 2023, 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 23, 2024.

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 23, 2024.

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

MSL, P.A.

Certified Public Accountants

Orlando, Florida
January 23, 2024



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, 2023, and have issued our report thereon dated January 23, 2024.

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 23, 2024, 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 23, 2024



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, 2023. 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, 2023, in all material respects.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
January 23, 2024



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**MARTIN COUNTY, FLORIDA
PROPERTY APPRAISER**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2023



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Martin County, Florida
Property Appraiser
For the Year Ended September 30, 2023

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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, 2023, 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Property Appraiser as of September 30, 2023, 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 12 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, 2023, 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 25, 2024 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 25, 2024



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Martin County, Florida
Property Appraiser
Special-Purpose Balance Sheet
General Fund
September 30, 2023

ASSETS	
Cash and cash equivalents	<u><u>\$ 132,816</u></u>
LIABILITIES	
Accounts payable	\$ 14,322
Accrued wages payable	47,464
Due to Board of County Commissioners	69,219
Due to other governmental agencies	<u>1,811</u>
Total liabilities	<u><u>132,816</u></u>
FUND BALANCE	
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u><u>\$ 132,816</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, 2023

REVENUES	
Charges for services	\$ 176,872
Interest income	753
Miscellaneous revenues	114
Total revenues	<u>177,739</u>
EXPENDITURES	
Current:	
General government	<u>4,287,704</u>
Deficiency of revenues under expenditures	<u>(4,109,965)</u>
OTHER FINANCING SOURCES	
Transfers in	4,179,184
Transfers out	(69,219)
Total other financing sources	<u>4,109,965</u>
Net change in fund balances	-
Fund balance - beginning	<u>-</u>
Fund balance - ending	<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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 156,951	\$ 157,506	\$ 176,872	\$ 19,366
Interest income	-	-	753	753
Miscellaneous revenues	-	-	114	114
Total revenues	<u>156,951</u>	<u>157,506</u>	<u>177,739</u>	<u>20,233</u>
EXPENDITURES				
Current:				
General government	<u>4,321,323</u>	<u>4,336,690</u>	<u>4,287,704</u>	<u>48,986</u>
Deficiency of revenues under expenditures	<u>(4,164,372)</u>	<u>(4,179,184)</u>	<u>(4,109,965)</u>	<u>69,219</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	4,164,372	4,179,184	4,179,184	-
Transfer out	-	-	(69,219)	(69,219)
Total other financing sources (uses)	<u>4,164,372</u>	<u>4,179,184</u>	<u>4,109,965</u>	<u>(69,219)</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, 2023

Note 1 - Summary of Significant Accounting Policies

The significant accounting policies followed by the Property Appraiser of Martin County, Florida (the “Property Appraiser”) are summarized below:

A. General Information

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

B. Reporting Entity and Financial Statement Presentation

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

Entity status for financial reporting purposes is governed by the Governmental Accounting Standards Board’s (“GASB”) Codification Section 2100 “Defining the Financial Reporting Entity.” Although the Property Appraiser’s Office is operationally autonomous from the County, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Property Appraiser is reported as a part of the primary government of Martin County, Florida.

The Property Appraiser’s special-purpose financial statements are prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*, which require the Property Appraiser to only present fund financial statements. In conformity with the Rules, the Property Appraiser has not presented the government-wide financial statements, related disclosures or management’s discussion and analysis, which are required to present a complete presentation of its financial position and changes in financial position.

These financial statements are not intended to be a complete presentation of the financial position of the Property Appraiser or Martin County, Florida, as of September 30, 2023, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

C. Fund Accounting

The accounting records of the Property Appraiser are maintained in the general fund, a governmental fund type, as prescribed by accounting principles generally accepted in the United States of America (“GAAP”) applicable to governments as established by the GASB.

D. Measurement Focus and Basis of Accounting

The governmental fund type measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination. This fund is maintained on the modified accrual basis of accounting. Revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the current period. For this purpose the Property Appraiser considers revenue to be available if collected within 60 days after the end of the current fiscal period. Expenditures are recorded in the accounting period in which the related fund

Martin County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2023

liability is incurred, if measurable. Exceptions to this general rule include accumulated sick and vacation, claims and judgments, pension and Other Postemployment Benefits (OPEB). Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities.

E. Budgets

The budget for the Property Appraiser is prepared, adopted and amended in accordance with Chapter 195.087, Florida Statutes. The budget is balanced, meaning that the total appropriations are equal to total revenues and transfers in from the Board of County Commissioners. The budget for the general fund is prepared on a basis consistent with GAAP.

On or before June 1 of each year, the Property Appraiser submits to the Florida Department of Revenue (the "Department") a budget for the operation of the Property Appraiser's office for the ensuing fiscal year, in the manner and form prescribed by the Department. A copy of such budget is furnished at the same time to the Martin County Board of County Commissioners (the "Board"). After the final approval of the budget by the Department, there are no amendments to the budget without the approval of the Department.

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

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted for all reserves, transfers, allocations, supplemental appropriations and other legally authorized changes applicable to the fiscal year when signed into law or otherwise legally authorized.

F. Cash and Cash Equivalents

For purposes of these statements, demand deposits and petty cash and short-term investments with original maturities of three months or less from date of acquisition are considered to be cash and cash equivalents.

G. Capital Assets

Upon acquisition, capital assets are recorded as capital outlay expenditures of the appropriate governmental fund in these special-purpose financial statements. The Property Appraiser maintains custodial responsibility for the capital assets used by her office; however, they are recorded in the financial statements of the County.

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

Martin County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2023

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 \$4,179,184.

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 \$71,030 as of September 30, 2023, of which \$69,219 was transferred out to the Board and \$1,811 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 \$132,416 and petty cash of \$400. Deposits whose values exceed the limits of federal depository insurance are entirely insured or collateralized pursuant to Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*, (the Act). Under this Act, Florida's Chief Financial Officer shall determine the collateral requirements and the collateral pledging level for each qualified public depository in order to protect the integrity of the public deposits program. The Public Deposit Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All Property Appraiser depositories at year-end were designated as qualified public depositories. The bank balance as of September 30, 2023, was \$163,521.

Martin County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2023

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, 2023, were as follows:

	<u>Beginning</u> <u>10/01/2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>09/30/2023</u>
Compensated absences	\$ <u>195,146</u>	\$ <u>231,717</u>	\$ <u>(241,307)</u>	\$ <u>185,556</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, 2023

participating in the DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.) as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. The Investment Plan is administered by the State Board of Administration (SBA) and is reported in the SBA's annual financial statements and in the State of Florida's annual comprehensive financial report. Financial information on this plan is available on the web at <http://www.sbafla.com/>.

FRS and HIS Contributions

The Property Appraiser's employer contributions to both plans totaled \$441,401 for the fiscal year ended September 30, 2023. The Property Appraiser contributed 100 percent of its statutorily required contributions for the current and preceding two years for both plans.

Net Pension Liability

For financial reporting purposes, the Property Appraiser is deemed to be part of the primary government of Martin County, Florida. A liability related to the Property Appraiser's proportionate share of the aggregate net pension liability for both plans will be reported in the financial statements of the County for fiscal year ended September 30, 2023. 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 six years of creditable service. Participants first enrolled on or after July 1, 2011 will be vested, or eligible to receive future benefits after eight years of creditable service. Retirement, disability, and death benefits are based on age, average final compensation and years-of-service credit. For members initially enrolled in the FRS before July 1, 2011, average final compensation is the average of the five highest fiscal years of salary earned during covered employment. For members initially enrolled in the FRS on or after July 1, 2011, average final compensation is the average of the eight highest fiscal years of salary earned during covered employment. Members are eligible for normal retirement when they have met the minimum requirements established by their membership class. For members initially enrolled in the FRS before July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 62 or if they have 30 years of creditable service regardless of age. For members initially enrolled in the FRS on or after July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 65 or if they have 33 years of creditable service regardless of age. Early retirement may be taken any time after vesting. However, there is a 5% reduction of benefits for each year prior to normal retirement age or date. The percentage level of employees' payroll contribution rates is determined using the frozen entry age actuarial cost method.

Martin County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2023

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 eight 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 4.0%. 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, 2023:

<u>Membership Class</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate*</u>
Regular	3.00%	13.57%
Special Risk	3.00%	32.67%
State Attorney/Public Defender	3.00%	62.72%
County, City, Special District Elected Officers	3.00%	58.68%
Special Risk Administrative Support	3.00%	39.82%
Senior Management	3.00%	34.52%
Deferred Retirement Option Program	N/A	21.13%

*Employer contribution rates in the above table include a 2.00% contribution for the Retiree Health Insurance Subsidy Program.

RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM

Benefits Provided

For the fiscal year ended September 30, 2023, 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, through June 30. Effective July 1, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 per month and a maximum HIS payment of \$225 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
Property Appraiser
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2023

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, 2023, the contribution rate was 1.66 percent of payroll through June 30 and 2.00 percent of payroll from July 1 through September 30. The Property Appraiser contributed 100 percent of its statutorily required contributions for the current and preceding three years. The HIS Program contributions are deposited in a separate trust fund from which payments are authorized. The HIS Program benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

FLORIDA RETIREMENT SYSTEM INVESTMENT PLAN

Vesting Provisions

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds.

Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

For more detailed information on these plans, please refer to the Retirement Note in the County's Annual Comprehensive Financial Report (ACFR).

Note 5 - Other Postemployment Benefits

In addition to the retirement system described in Note 4, the Property Appraiser provides postretirement health care benefits, in accordance with state statutes, to all employees who retire from the Property Appraiser after vesting with the retirement system. Currently, 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

Martin County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2023

recognized as premiums are paid. During the year, expenditures of \$19,286 were recognized for postretirement health care.

The Property Appraiser's total OPEB liability is reported within the governmental activities column of the County's Statement of Net Position. Further information about OPEB is available in the County's Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023.

Note 6 – Risk Management

The Property Appraiser is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Property Appraiser participates in the Self-Insurance program of the County. The coverage for employee health, property, general liability, automobile liability, workers' compensation, and public employee bond and comprehensive crime loss is covered through a comprehensive property and liability risk management program reported in the Self-Insurance Fund of the County. The County is part of the Tri-County Risk Management Program, which is a public entity risk pool. The program is a self-insurance program whereby the County makes annual contributions along with the other members of the program. The County is subject to a special assessment in the event of a deficiency, except to the extent that the deficiency results from a specific claim against a member in excess of the reinsurance available; such a deficiency is solely the responsibility of that member. The program is reported by the County as an Internal Service Fund. The Property Appraiser makes annual contributions to the County self-insurance fund based on amounts determined by the Board of County Commissioners. Such contributions were \$487,180 during the fiscal year ended September 30, 2023, and are included as expenditures in the accompanying special-purpose financial statements. As of September 30, 2023, 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, 2023, 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 25, 2024.

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 Property Appraiser'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 25, 2024.

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 Property Appraiser'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 Property Appraiser'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, 2024



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, 2023, and have issued our report thereon dated January 25, 2024.

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, 2024, 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 25, 2024



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, 2023. 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, 2023, in all material respects.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
January 25, 2024



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**MARTIN COUNTY, FLORIDA
SHERIFF**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2023



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MARTIN COUNTY, FLORIDA
Sheriff
For the Year Ended September 30, 2023

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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, 2023, 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Sheriff as of September 30, 2023, 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, 2023, 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, 2023, the Sheriff adopted the provisions of Government Accounting Standards Board Statement (“GASBS”) Number 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2024, 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
May 8, 2024

Martin County, Florida
Sheriff
Balance Sheet
Governmental Funds
September 30, 2023

	General	Canteen/Inmate Welfare Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,944,050	\$ 598,881	\$ 370,371	\$ 3,913,302
Accounts receivable	-	50,626	-	50,626
Due from other funds	120,919	-	-	120,919
Due from other county agencies	107,749	-	8,800	116,549
Due from other governmental agencies	13,298	-	82,515	95,813
Total assets	<u>\$ 3,186,016</u>	<u>\$ 649,507</u>	<u>\$ 461,686</u>	<u>\$ 4,297,209</u>
LIABILITIES				
Accounts payable	\$ 339,027	\$ 703	\$ 3,340	\$ 343,070
Due to other funds	443,931	38,404	82,515	564,850
Due to Board of County Commissioners	2,397,349	-	11	2,397,360
Due to other governmental agencies	5,709	-	-	5,709
Total liabilities	<u>3,186,016</u>	<u>39,107</u>	<u>85,866</u>	<u>3,310,989</u>
FUND BALANCES				
Restricted for:				
Inmate Welfare Fund	-	610,400	-	610,400
Grant Funds	-	-	306,105	306,105
Trust Funds	-	-	69,715	69,715
Total fund balances	<u>-</u>	<u>610,400</u>	<u>375,820</u>	<u>986,220</u>
Total liabilities and fund balances	<u>\$ 3,186,016</u>	<u>\$ 649,507</u>	<u>\$ 461,686</u>	<u>\$ 4,297,209</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, 2023**

	General	Canteen/Inmate Welfare Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ 535,209	\$ 535,209
Charges for services	4,758,862	679,634	-	5,438,496
Interest income	221,477	183	15	221,675
Miscellaneous revenues	485,591	139,191	-	624,782
Total revenues	5,465,930	819,008	535,224	6,820,162
EXPENDITURES				
Current				
General government	4,195,472	731,125	-	4,926,597
Public safety	83,063,202	-	726,352	83,789,554
Capital outlay	12,064,822	-	84,641	12,149,463
Debt service:				
Principal	2,420,715	-	-	2,420,715
Interest	144,915	-	-	144,915
Total expenditures	101,889,126	731,125	810,993	103,431,244
Excess (deficiency) of revenues over (under) expenditures	(96,423,196)	87,883	(275,769)	(96,611,082)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	542,782	-	-	542,782
Lease financings	9,441,967	-	-	9,441,967
SBITA financings	1,156,540	-	-	1,156,540
Transfers in	87,657,524	-	198,650	87,856,174
Transfers out	(2,375,617)	-	(4,554)	(2,380,171)
Total other financing sources (uses)	96,423,196	-	194,096	96,617,292
Net change in fund balances	-	87,883	(81,673)	6,210
Fund balances - beginning	-	522,517	457,493	980,010
Fund balances - ending	\$ -	\$ 610,400	\$ 375,820	\$ 986,220

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 4,380,293	\$ 4,380,293	\$ 4,758,862	\$ 378,569
Interest income	192,000	192,000	221,477	29,477
Miscellaneous revenues	53,500	53,500	485,591	432,091
Total revenues	4,625,793	4,625,793	5,465,930	840,137
EXPENDITURES				
Current				
General government	4,007,723	4,007,723	4,195,472	(187,749)
Public safety	84,553,820	84,553,820	83,063,202	1,490,618
Capital outlay	3,128,448	3,128,448	12,064,822	(8,936,374)
Debt service				
Principal	-	-	2,420,715	(2,420,715)
Interest	-	-	144,915	(144,915)
Total expenditures	91,689,991	91,689,991	101,889,126	(10,199,135)
Deficiency of revenues under expenditures	(87,064,198)	(87,064,198)	(96,423,196)	(9,358,998)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	542,782	542,782
Lease financings	-	-	9,441,967	9,441,967
SBITA financings	-	-	1,156,540	1,156,540
Transfers in	87,064,198	87,064,198	87,657,524	593,326
Transfers out	-	-	(2,375,617)	(2,375,617)
Total other financing sources (uses)	87,064,198	87,064,198	96,423,196	9,358,998
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, 2023

ASSETS

Current assets:

Cash and cash equivalents	\$	5,916,322
Accounts receivable		9,753
Due from other funds		443,931
Prepaid items		<u>4,000</u>
Total assets		<u><u>6,374,006</u></u>

LIABILITIES

Current liabilities:

Accrued claims		<u>614,694</u>

NET POSITION

Unrestricted	\$	<u><u>5,759,312</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, 2023

OPERATING REVENUES

Charges for services	\$ 14,226,142
Miscellaneous revenues	<u>1,498,706</u>
Total operating revenues	<u><u>15,724,848</u></u>

OPERATING EXPENSES

General, administrative and claims	<u>15,394,637</u>
Operating income	<u><u>330,211</u></u>

NONOPERATING REVENUES (EXPENDITURES)

Interest income	<u>256,819</u>
Change in net position	587,030
Total net position - beginning	<u>5,172,282</u>
Total net position - ending	<u><u>\$ 5,759,312</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, 2023

	<u>Self-Insurance</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 17,082,470
Claims and administrative services paid	<u>(15,875,045)</u>
Net cash used in operating activities	<u>1,207,425</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned	<u>256,819</u>
Net cash provided by investing activities	<u>256,819</u>
Net increase in cash and cash equivalents	1,464,244
Cash and cash equivalents - beginning of the year	<u>4,452,078</u>
Cash and cash equivalents - end of year	<u>\$ 5,916,322</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating income	\$ 330,211
Change in assets and liabilities:	
Receivables, net	875,192
Accounts payable	<u>2,022</u>
Net cash used in operating activities	<u>\$ 1,207,425</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, 2023

ASSETS

Cash and cash equivalents	\$ <u>722,617</u>

LIABILITIES

Deposits	<u>210,756</u>

NET POSITION

Restricted for:

Individuals, organizations, and other governments	\$ <u><u>511,861</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 Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended September 30, 2023

ADDITIONS:

Fees and charges collected for others	\$ 1,522,126
Miscellaneous	<u>1,487,062</u>
Total additions	<u>3,009,188</u>

DEDUCTIONS:

Payments to Martin County Board of County Commissioners	94,864
Payments to individuals, organizations, and other governments	<u>2,898,785</u>
Total deductions	<u>2,993,649</u>

Change in net position	15,539
Total net position - beginning	<u>496,322</u>
Total net position - ending	<u><u>\$ 511,861</u></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, 2023

Note 1 - Summary of Significant Accounting Policies

The significant accounting policies followed by the Sheriff of Martin County, Florida (the “Sheriff”) are summarized below:

A. General Information

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

B. Reporting Entity and Financial Statement Presentation

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

Entity status for financial reporting purposes is governed by the Governmental Accounting Standards Board’s (“GASB”) Codification Section 2100 “Defining the Financial Reporting Entity.” Although the Sheriff’s Office is operationally autonomous from the County, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Sheriff is reported as a part of the primary government of Martin County, Florida.

The Sheriff’s special-purpose financial statements are prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*, which require the Sheriff to only present fund financial statements. In conformity with the Rules, the Sheriff has not presented the government-wide financial statements, related disclosures or management’s discussion and analysis, which are required to present a complete presentation of its financial position and changes in financial position.

These financial statements are not intended to be a complete presentation of the financial position of the Sheriff or Martin County, Florida as of September 30, 2023, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

C. Fund Accounting

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

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2023

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

Governmental Funds

The Sheriff has the following major governmental funds:

General Fund – This fund is used to account for all financial activity of the Sheriff not accounted for in other funds. The funding is primarily from transfers in from the Martin County Board of County Commissioners.

Canteen/Inmate Welfare Fund – The Canteen fund is used for the subsistence and benefit of the inmates at the Martin County Jail. It is primarily funded by user fees (charges for services) and is reported as a Special Revenue Fund. This fund does not require a budget.

The Sheriff also has fifteen non-major special revenue funds that account for the activities of various law enforcement grants and services.

Proprietary Fund – The Internal Service Fund is used to account for the Sheriff's self-insurance activities.

Fiduciary Funds

Custodial Fund – This fund is used to account for assets and transactions of the Sheriff in the capacity of a trustee or agent for individuals, private organizations, other funds or other governmental units.

D. Measurement Focus and Basis of Accounting

The governmental fund type measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination. These funds are maintained on the modified accrual basis of accounting. Revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the current period. For this purpose the Sheriff considers revenue to be available if they are collected within 60 days after the end of the current fiscal period with the exception of certain grants, which have a period of 1 year after the end of the current year. Expenditures are recorded in the accounting period in which the related fund liability is incurred, if measurable. Exceptions to this general rule include accumulated sick and vacation and Other Postemployment Benefits (OPEB). Since they do not affect net current assets, such long-term amounts are not recognized as governmental type expenditures or fund liabilities.

In applying the "susceptible to accrual" concept to intergovernmental revenues (grants, entitlements and shared revenue), the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental revenues are susceptible to accrual when the eligibility requirements have been met and the revenues are available as defined above.

Charges for services are invoiced monthly and recorded and accrued as revenues. Investment earnings and most fines and forfeitures are recorded as earned when they are measurable and available.

The fiduciary funds do not measure results of operations, but assets and liabilities are measured on the accrual basis of accounting. These funds are used to account for assets held by the Sheriff as trustee or agent for individuals and/or

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2023

other governmental units. The Sheriff also measures operations, assets and liabilities of its Internal Service Fund on the accrual basis of accounting, which used the economic resources measurement focus. Revenues are recognized when earned and expenses are recognized when incurred. The Internal Service Fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenditures generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues for the Internal Service Fund are charges to the various departments and funds for insurance services.

E. Budgets

The budgets for the Sheriff are prepared, adopted and amended in accordance with Chapter 129, Florida Statutes. The budget is balanced, meaning that total appropriations are equal to total revenues. The budget for the General Fund is prepared on a basis consistent with GAAP; budgets are not provided for other funds.

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

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

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted for all reserves, transfers, allocations, supplemental appropriations and other legally authorized changes applicable to the fiscal year, whenever, signed into law or otherwise legally authorized.

F. Cash and Cash Equivalents

For purposes of these statements, demand deposits, petty cash and short-term investments with original maturities of three months or less from date of acquisition are considered to be cash and cash equivalents.

G. Capital Assets

Upon acquisition, capital assets are recorded as capital outlay expenditures of the appropriate governmental fund in these special-purpose financial statements. The Sheriff maintains custodial responsibility for the capital assets used by his office, however, they are recorded in the financial statements of the County.

In the governmental activities section of the County's government-wide financial statements, all capital assets with a cost of \$5,000 or greater and an estimated life of more than one year are capitalized and recorded at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at their 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

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2023

of the County.

H. Compensated Absences

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

I. Use of Estimates

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

J. Transfers In

In accordance with Florida Statutes, the Board is required to fund certain operations of the Sheriff. These County appropriations are reported as transfers in and totaled \$87,657,524 for the Sheriff's General Fund and \$198,650 for the Sheriff's Other Governmental funds.

K. Transfers out

In accordance with Florida Statutes, all revenues in excess of expenditures as of year-end are owed to the Board and are reported as a transfer out in the Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balances.

L. Fund Balance

In accordance with GASB Statement No. 54, fund balances of the governmental funds are classified as restricted. This classification includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

M. Investments Policy

The Sheriff follows the provisions of Section 218.415 (17), Florida Statutes, which allows for surplus funds to be invested in the Local Government Surplus Funds Trust fund (the "State Pool") or any intergovernmental investment pool; Securities and Exchange commission registered money market funds; certificates of deposits and savings accounts in state-certified qualified public depositories, or direct obligations of the U. S. Treasury.

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2023

Note 2 - Cash and Cash Equivalents and Investments

Cash and cash equivalents (including fiduciary funds) consist of the following at September 30, 2023:

Demand deposits	\$	10,548,591
Petty cash		<u>3,650</u>
	\$	<u><u>10,552,241</u></u>

Demand deposits and certificates of deposit whose values exceed the limits of federal depository insurance are entirely insured or collateralized pursuant to Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*, (the Act). Under this Act, financial institutions which are qualified as public depositories place with the State Board of Administration securities which have a market value, equal to 50% of the average daily balance for each month of all public deposits in excess of applicable deposit insurance. The Public Deposit Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All the Sheriff's depositories at year-end were designated as qualified public depositories. The bank balance as of September 30, 2023, was \$10,933,901.

Note 3 – Interfund Receivables and Payables and Transfers

Interfund receivable and payable balances at September 30, 2023, consist of the following:

<u>Fund</u>	<u>Interfund</u> <u>Receivables</u>	<u>Interfund</u> <u>Payables</u>
General Fund	\$ 120,919	\$ 443,931
Canteen Fund	-	38,404
Other Governmental Funds	-	82,515
Self-Insurance Fund	<u>443,931</u>	<u>-</u>
	<u><u>\$ 564,850</u></u>	<u><u>\$ 564,850</u></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, 2023, were as follows:

<u>Fund</u>	<u>Transfers In</u> <u>From:</u>	<u>Transfers Out</u> <u>To:</u>
General Fund	\$ 87,657,524	\$ 2,375,617
Other Governmental Funds	<u>198,650</u>	<u>4,554</u>
Total Transfers	<u><u>\$ 87,856,174</u></u>	<u><u>\$ 2,380,171</u></u>

The Sheriff's transfers in to the General fund from the Board are an allocation to fund the Sheriff's operations based on the approved budget. Transfers out from the General fund to the Board consist of excess revenue and other financing sources over expenditures and other financing uses, which must be returned to the Board in accordance with Florida Statutes.

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2023

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, 2023, which are reported in the basic Government Wide Financial Statements of the County, were as follows:

	Beginning 10/01/22	Additions	Deletions	Ending 09/30/23
Capital assets, being depreciated:				
Machinery and equipment	\$ 31,583,545	\$ 1,553,706	\$ (313,266)	\$ 32,823,985
Accumulated depreciation	<u>(19,038,206)</u>	<u>(3,152,008)</u>	<u>188,573</u>	<u>(22,001,641)</u>
Total capital assets being depreciated	\$ 12,545,339	\$ (1,598,302)	\$ (124,693)	\$ 10,822,344
Right of use assets, being amortized:				
Tasers and Computer Hardware	\$ 631,075	\$ 9,441,967	\$ (561,378)	\$ 9,511,664
Accumulated amortization	<u>(197,314)</u>	<u>(832,970)</u>	<u>173,419</u>	<u>(856,865)</u>
Total right of use assets being amortized	\$ 433,761	\$ 8,608,997	\$ (387,959)	\$ 8,654,799
Subscription assets, being amortized	\$ -	\$ 1,156,690	\$ -	\$ 1,156,690
Accumulated amortization	<u>-</u>	<u>(248,410)</u>	<u>-</u>	<u>(248,410)</u>
Total subscription assets being amortized	\$ -	\$ 908,280	\$ -	\$ 908,280
Total Capital Assets, Right of Use Leased Assets, and Subscription Assets	<u>\$ 12,979,100</u>	<u>\$ 7,918,975</u>	<u>\$ (512,652)</u>	<u>\$ 20,385,423</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, 2023, were as follows:

	Beginning 10/01/22	Additions	Deletions	Ending 09/30/23
Compensated Absences	\$ 8,815,907	\$ 1,392,890	\$ (369,990)	\$ 9,838,807
Leases	408,630	9,441,966	(1,384,470)	8,466,126
Subscriptions	-	1,156,540	(300,885)	855,655
Financed purchase agreements	4,988,068	542,782	(1,107,087)	4,423,763
Total	<u>\$ 14,212,605</u>	<u>\$ 12,534,178</u>	<u>\$ (3,162,432)</u>	<u>\$ 23,584,351</u>

Leases

The Sheriff had the following leases as of September 30, 2023:

Axon Enterprises: On October 1, 2021, the Sheriff recognized a 5-year lease as a lessee for the use of Axon TASER

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2023

7's. An initial lease payable was recorded in the amount of \$561,236. This lease was modified and amended to include additional equipment. On 12/01/2022, Martin County, FL Sheriff entered into a 120 month lease as Lessee for the use of Axon TASER 7's and body cameras. An initial lease liability was recorded in the amount of \$9,245,778. As of 09/30/2023, the value of the lease liability is \$8,309,605. Martin County, FL Sheriff is required to make annual fixed payments of \$983,573. The lease has an interest rate of 1.2840%. The value of the right to use asset as of 09/30/2023 of \$9,245,778 with accumulated amortization of \$764,114.

Dell Financial Services: On 10/01/2021, Martin County, FL Sheriff entered into a 35 month lease as Lessee for the use of Dell hardware. An initial lease liability was recorded in the amount of \$69,697. As of 09/30/2023, the value of the lease liability is \$3,474. Martin County, FL Sheriff is required to make annual fixed payments of \$34,536. The lease has an interest rate of 3.0000%. The value of the right to use asset as of 09/30/2023 of \$69,697 with accumulated amortization of \$47,792. This lease has the option to purchase the Equipment for \$1.

JP Leasing Corp.: On 11/01/2022, Martin County, FL Sheriff entered into a 48 month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$196,188. As of 09/30/2023, the value of the lease liability is \$153,047. Martin County, FL Sheriff is required to make monthly fixed payments of \$4,354. The lease has an interest rate of 3.2690%. The value of the right to use asset as of 09/30/2023 of \$196,188 with accumulated amortization of \$44,960.

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

Year Ending September 30,	Principal	Interest
2024	\$ 928,311	\$ 111,088
2025	937,687	98,134
2026	950,735	85,086
2027	915,432	72,494
2028	922,789	60,784
2029-2033	3,811,172	123,119
Total	<u>\$ 8,466,126</u>	<u>\$ 550,705</u>

Finance Purchase Agreements

The Sheriff had the following financed purchase agreements as of September 30, 2023:

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.)

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2023

Government Capital Corporation: On August 18, 2023, the Sheriff entered into a financed purchase agreement for Forensic Science equipment. Payments are \$67,747 annually, with the final payment due in May 2026. The interest rate is 6.085%.

Dell Financial Services: On June 1, 2023, the Sheriff entered into a financed purchase agreement for laptop computers. Payments are \$101,094 annually, with the final payment due in June 2026. The interest rate is 8.2516%.

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

Year Ending September 30,	Principal	Interest
2024	\$ 1,170,302	\$ 127,591
2025	1,110,909	94,175
2026	803,315	59,163
2027	661,737	31,901
2028	677,500	16,138
Total	<u>\$ 4,423,763</u>	<u>\$ 328,968</u>

Subscription Based IT Arrangements

For the year ended September 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below:

Security Software: On 10/01/2022, the Sheriff entered into a 40 month subscription for the use of security software. An initial subscription liability was recorded in the amount of \$280,123. As of 09/30/2023, the value of the subscription liability is \$207,807. The Sheriff is required to make annual fixed payments of \$73,803. The subscription has an interest rate of 3.2380%. The value of the right to use asset as of 09/30/2023 of \$280,273 with accumulated amortization of \$84,082.

SHI International Corp.: On 01/01/2023, the Sheriff entered into a 48 month subscription for the use of Microsoft Solutions. An initial subscription liability was recorded in the amount of \$876,417. As of 09/30/2023, the value of the subscription liability is \$647,848. The Sheriff is required to make annual fixed payments of \$228,569. The subscription has an interest rate of 2.8943%. The value of the right to use asset as of 09/30/2023 of \$876,417 with accumulated amortization of \$164,328. The Sheriff has 1 extension option(s), each for 36 months.

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

Year Ending September 30,	Principal	Interest
2024	\$ 276,892	\$ 25,480
2025	285,136	17,235
2026	293,627	8,744
Total	<u>\$ 855,655</u>	<u>\$ 51,459</u>

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2023

Note 6 - Budget versus Actual Expenditures

The General Fund reported an unfavorable variance of \$1,262,761 in operating expenditures and debt service in relation to budgeted expenditures in the current fiscal year and an unfavorable variance of \$8,936,374 in capital outlay, resulting in an overall variance of \$10,199,135 for the fiscal year. This variance is due to the capitalization of right of use and subscription assets as of September 30, 2023, as required under GASB 87 and GASB 96.

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's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.) as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

The Investment Plan is administered by the State Board of Administration (SBA) and is reported in the SBA's annual financial statements and in the State of Florida's annual comprehensive financial report. Financial information on this plan is available on the web at <http://www.sbafla.com/>.

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2023

FRS and HIS Contributions

The Sheriff's employer contributions to both plans totaled \$12,818,619 for the fiscal year ended September 30, 2023. The Sheriff contributed 100 percent of its statutorily required contributions for the current and preceding two years for both plans.

Net Pension Liability

For financial reporting purposes, the Sheriff is deemed to be part of the primary government of Martin County, Florida. A liability related to the Sheriff's proportionate share of the aggregate net pension liability for both plans will be reported in the financial statements of the County for fiscal year ended September 30, 2023. Balances related to the net pension liability, deferred outflows, deferred inflows, and pension expenses are reported in the governmental activities column of the Statement of Net Position and the Statement of Activities as part of the basic financial statements of the County.

FLORIDA RETIREMENT SYSTEM (FRS) PENSION PLAN

Benefits Provided

The Florida Retirement System was created on December 1, 1970. Members enrolled in the FRS and actively employed on July 1, 2001, or first enrolled between July 1, 2001 and June 30, 2011, will be vested, or eligible to receive future benefits after 6 years of creditable service. Participants first enrolled on or after July 1, 2011 will be vested, or eligible to receive future benefits after 8 years of creditable service. Retirement, disability, and death benefits are based on age, average final compensation and years-of-service credit. For members initially enrolled in the FRS before July 1, 2011, average final compensation is the average of the five highest fiscal years of salary earned during covered employment. For members initially enrolled in the FRS on or after July 1, 2011, average final compensation is the average of the eight highest fiscal years of salary earned during covered employment. Members are eligible for normal retirement when they have met the minimum requirements established by their membership class. For members initially enrolled in the FRS before July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 62 or if they have 30 years of creditable service regardless of age. For members initially enrolled in the FRS on or after July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 65 or if they have 33 years of creditable service regardless of age. Early retirement may be taken any time after vesting. However, there is a 5% reduction of benefits for each year prior to normal retirement age or date. The percentage level of employees' payroll contribution rates is determined using the frozen entry age actuarial cost method.

Beginning July 1, 1998, the FRS implemented the Deferred Retirement Option Program (DROP), which is a program within the FRS Pension Plan that allows members to retire without terminating their employment for up to eight 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 4.0%. 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.

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2023

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, 2023:

<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%	13.57%
Special Risk	3.00%	32.67%
State Attorney/Public Defender	3.00%	62.72%
County, City, Special District Elected Officers	3.00%	58.68%
Special Risk Administrative Support	3.00%	39.82%
Senior Management	3.00%	34.52%
Deferred Retirement Option Program	N/A	21.13%

*Employer contribution rates in the above table include a 2.00% contribution for the Retiree Health Insurance Subsidy Program.

RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM

Benefits Provided

For the fiscal year ended September 30, 2023, 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, through June 30. Effective July 1, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 per month and a maximum HIS payment of \$225 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, 2023, the contribution rate was 1.66 percent of payroll through June 30 and 2.00 percent of payroll from July 1 through September 30. 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, 2023

FLORIDA RETIREMENT SYSTEM INVESTMENT PLAN

Vesting Provisions

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds.

Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

For more detailed information on these plans, please refer to the Retirement Note in the County's Annual Comprehensive Financial Report (ACFR).

Note 9 - Other Postemployment Benefits (OPEB)

Plan Description

In addition to the retirement system benefits described in Note 7, the Sheriff provides post retirement health care benefits, in accordance with state statutes, to all employees who retire from the Sheriff's Office after vesting with the state of Florida Retirement System (FRS). Currently, 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 creditable, continuous service with the Sheriff's Office. Employees hired after that date through December 31, 2009 are subsidized 60% to 75%, depending on the years of service. Employees hired on or after January 1, 2010, with at least 20 years of service will be subsidized 70% to 75%. Full-time employees hired on or after April 1, 2011, who wish to continue their health insurance benefits upon retirement, shall be responsible for 100% of their insurance costs. The health care rates for retirees are the same as for active employees. All retirees who have life insurance at the time of their retirement are eligible for a \$5,000 life insurance policy on themselves only, which is subsidized 50% by the Sheriff. The Sheriff does not issue a stand-alone financial report for OPEB.

The Sheriff's total OPEB liability is reported within the governmental activities column of the County's Statement of Net Position. Further information about OPEB is available in the County's Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023.

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.

Martin County, Florida
Sheriff
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2023

The coverage for general liability, workers' compensation and comprehensive crime loss is covered through a comprehensive property and liability risk management program, the Florida Sheriff's Self Insurance Fund. The program is a self-insurance program whereby the Sheriff makes annual contributions along with other members of the program. The Sheriff is subject to a special assessment in the event of a deficiency, except to the extent that the deficiency results from a specific claim against a member in excess of the reinsurance available, such deficiency is solely the responsibility of that member. The Sheriff is covered by Florida Statutes under the Doctrine of Sovereign Immunity, which generally limits the amount of the liability of the Sheriff to individual claims of \$200,000 or \$300,000 for all claims relating to the same incident. Health and dental insurance is fully insured with third party providers. Settled claims have not exceeded these commercial insurance coverage's in any of the last three years.

The Sheriff's Group Health Insurance is self-insured and administered by a third party administrator. All assets, liabilities and operations related to health insurance as of September 30, 2023, are accounted for in the Sheriff's Internal Service Fund. The Sheriff has excess coverage in place for instances where losses exceed individual claims of \$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 for the Sheriff's internal service funds in fiscal years 2023 and 2022 were as follows:

<u>Fiscal Year</u>	<u>Liability Beginning Balance</u>	<u>Additions</u>	<u>Claim Payments</u>	<u>Liability Ending Balance</u>
2023	\$ 612,672	\$ 15,396,659	\$ (15,394,637)	\$ 614,694
2022	\$ 863,476	\$ 15,539,168	\$ (15,789,972)	\$ 612,672

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.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Martin County, Florida Sheriff (the "Sheriff") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated May 8, 2024.

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 May 8, 2024.

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

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 8, 2024



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, 2023, and have issued our report thereon dated May 8, 2024.

Auditor's Responsibility

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

Other Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated May 8, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with the preceding audit, there were no findings or recommendations.

Official Title and Legal Authority

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

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

Financial Management

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

Additional Matters

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 8, 2024



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, 2023. 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 American Institute of Certified Public Accountants. 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, 2023.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 8, 2024



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**MARTIN COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2023



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Martin County, Florida
Supervisor of Elections
For the Year Ended September 30, 2023

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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, 2023, 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Supervisor as of September 30, 2023, 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, 2023, 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 23, 2024, 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 23, 2024



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Martin County, Florida
Supervisor of Elections
Special-Purpose Balance Sheet
General Fund
September 30, 2023

ASSETS

Cash and cash equivalents	\$	63,295
Accounts receivable		170
Due from other governmental agencies		260
Prepaid items		10,829
Total assets	\$	74,554

LIABILITIES

Accounts payable	\$	2,011
Accrued wages payable		14,994
Due to Board of County Commissioners		57,549
Total liabilities		74,554

FUND BALANCE

Nonspendable:		
Prepaid items		10,829
Unassigned:		(10,829)
Total fund balance		-
Total liabilities and fund balance	\$	74,554

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, 2023

REVENUES

Intergovernmental revenues	\$	89,740
Charges for services		2,812
Interest income		10,696
Miscellaneous revenues		<u>1,104</u>
Total revenues		<u><u>104,352</u></u>

EXPENDITURES

Current:		
General government		1,382,264
Capital outlay		<u>38,193</u>
Total expenditures		<u><u>1,420,457</u></u>

Deficiency of revenues under expenditures		<u><u>(1,316,105)</u></u>

OTHER FINANCING SOURCES

Transfers in		1,373,654
Transfers out		<u>(57,549)</u>
Total other financing sources		<u><u>1,316,105</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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ -	\$ 94,888	\$ 89,740	\$ (5,148)
Charges for services	-	-	2,812	2,812
Interest income	-	-	10,696	10,696
Miscellaneous revenues	-	-	1,104	1,104
Total revenues	-	94,888	104,352	9,464
EXPENDITURES				
Current:				
General government	1,308,554	1,404,009	1,382,264	21,745
Capital outlay	-	64,533	38,193	26,340
Total expenditures	1,308,554	1,468,542	1,420,457	48,085
Deficiency of revenues under expenditures	(1,308,554)	(1,373,654)	(1,316,105)	57,549
OTHER FINANCING SOURCES (USES)				
Transfers in	1,308,554	1,388,754	1,373,654	15,100
Transfers out	-	(15,100)	(57,549)	(42,449)
Total other financing sources (uses)	1,308,554	1,373,654	1,316,105	\$ (27,349)
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, 2023

Note 1 - Summary of Significant Accounting Policies

The significant accounting policies followed by the Supervisor of Elections of Martin County, Florida (the “Supervisor”) are summarized below:

A. General Information

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

B. Reporting Entity and Financial Statement Presentation

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

Entity status for financial reporting purposes is governed by the Governmental Accounting Standards Board’s (“GASB”) Codification Section 2100 “Defining the Financial Reporting Entity.” Although the Supervisor of Elections Office is operationally autonomous from the County, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Supervisor is reported as a part of the primary government of Martin County, Florida.

The Supervisor’s special-purpose financial statements are prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*, which require the Supervisor to only present fund financial statements. In conformity with the Rules, the Supervisor has not presented the government-wide financial statements, related disclosures or management’s discussion and analysis, which are required to present a complete presentation of its financial position and changes in financial position.

These financial statements are not intended to be a complete presentation of the financial position of the Supervisor of Elections or Martin County, Florida as of September 30, 2023, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

C. Fund Accounting

The accounting records of the Supervisor are maintained within a separate General Fund of the Martin County Board of County Commissioners (the “Board”). The operations are accounted for in a governmental fund type, as prescribed by accounting principles generally accepted in the United States of America (“GAAP”) applicable to governments as established by the GASB, within a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures.

D. Measurement Focus and Basis of Accounting

The governmental fund type measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination. This fund is maintained on the modified accrual basis of accounting. Revenues are recognized when they become

Martin County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2023

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 May 1. 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, 2023

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

H. Compensated Absences

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

I. Use of Estimates

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

J. Transfers In

In accordance with *Florida Statutes*, the Board of County Commissioners is required to fund certain operations of the Supervisor of Elections. These County appropriations are reported as transfers in and totaled \$1,373,654.

K. Transfers Out

In accordance with *Florida Statutes*, all revenues in excess of expenditures as of year-end are owed to the Board of County Commissioners. These "excess fees" are reported as transfers out. Revenues in excess of expenditures transferred out and due to the Board as of September 30, 2023, were \$57,549.

L. Governmental Fund Balance

In accordance with GASB Statement No. 54, fund balance may be classified as non-spendable, restricted, committed, assigned, and unassigned. Non-spendable fund balance includes amounts that cannot be spent because they are either not in spendable form or are legally and contractually required to be maintained intact; restricted fund balance is limited by external providers or enabling legislation; committed fund balance can be used only for specific purposes as determined by the government's highest level of decision making authority; assigned fund balance is intended to be used by the government for specific purposes, but does not meet the criteria to be classified as restricted or committed; unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in other classifications.

Martin County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2023

Note 2 – Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

Demand deposits	\$ 62,595
Petty cash	<u>700</u>
	<u>\$ 63,295</u>

Deposits whose values exceed the limits of federal depository insurance are entirely insured or collateralized pursuant to *Florida Statutes*, Chapter 280, *Florida Security for Public Deposits Act*, (the Act). Under this Act, Florida's Chief Financial Officer shall determine the collateral requirements and the collateral pledging level for each qualified public depository in order to protect the integrity of the public deposits program. The Public Deposit Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All Supervisor depositories at year-end were designated as qualified public depositories.

Note 3 - Long-Term Liabilities

Changes in long-term liabilities for the year ended September 30, 2023, are as follows:

	<u>Beginning 10/01/2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending 09/30/2023</u>
Compensated absences	\$ <u>33,819</u>	\$ <u>37,069</u>	\$ <u>(41,898)</u>	\$ <u>28,990</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, 2023

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 participating in the DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.) as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. The Investment Plan is administered by the State Board of Administration (SBA), and is reported in the SBA's annual financial statements and in the State of Florida's annual comprehensive financial report. Financial information on this plan is available on the web at <http://www.sbafla.com/>.

FRS and HIS Contributions

The Supervisor's employer contributions to both plans totaled \$79,557 for the fiscal year ended September 30, 2023. The Supervisor contributed 100 percent of its statutorily required contributions for the current and preceding two years for both plans.

Net Pension Liability

For financial reporting purposes, the Supervisor is deemed to be part of the primary government of Martin County, Florida. A liability related to the Supervisor's proportionate share of the aggregate net pension liability for both plans will be reported in the financial statements of the County for fiscal year ended September 30, 2023. 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 six years of creditable service. Participants first enrolled on or after July 1, 2011 will be vested, or eligible to receive future benefits after eight 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, 2023

class. For members initially enrolled in the FRS before July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 62 or if they have 30 years of creditable service regardless of age. For members initially enrolled in the FRS on or after July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 65 or if they have 33 years of creditable service regardless of age. Early retirement may be taken any time after vesting. However, there is a 5% reduction of benefits for each year prior to normal retirement age or date. The percentage level of employees' payroll contribution rates is determined using the frozen entry age actuarial cost method.

Beginning July 1, 1998, the FRS implemented the Deferred Retirement Option Program (DROP), which is a program within the FRS Pension Plan that allows members to retire without terminating their employment for up to eight 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 4.0%. 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, 2023:

<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%	13.57%
Special Risk	3.00%	32.67%
State Attorney/Public Defender	3.00%	62.72%
County, City, Special District Elected Officers	3.00%	58.68%
Special Risk Administrative Support	3.00%	39.82%
Senior Management	3.00%	34.52%
Deferred Retirement Option Program	N/A	21.13%

*Employer contribution rates in the above table include a 2.00% contribution for the Retiree Health Insurance Subsidy Program.

RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM

Benefits Provided

For the fiscal year ended September 30, 2023, 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, through June 30. Effective July 1, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 per month and a maximum HIS payment of \$225 per month. To

Martin County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2023

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, 2023, the contribution rate was 1.66 percent of payroll through June 30 and 2.00 percent of payroll from July 1 through September 30. The Property Appraiser contributed 100 percent of its statutorily required contributions for the current and preceding three years. The HIS Program contributions are deposited in a separate trust fund from which payments are authorized. The HIS Program benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

FLORIDA RETIREMENT SYSTEM INVESTMENT PLAN

Vesting Provisions

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds.

Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

For more detailed information on these plans, please refer to the Retirement Note in the County's Annual Comprehensive Financial Report (ACFR).

Note 5 - Other Postemployment Benefits

In addition to the retirement system described in Note 4, the Supervisor provides postretirement health care benefits, in accordance with state statutes, to all employees who retire from the Supervisor after vesting with the retirement system. As of September 2023, 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

Martin County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2023

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 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, no expenditures were recognized for postretirement health care.

The Supervisor's total OPEB liability is reported within the governmental activities column of the County's Statement of Net Position. Further information about OPEB is available in the County's Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023.

Note 6 – Risk Management

The Supervisor is exposed to various risks of loss related to tort; theft of, damage to, and to destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Supervisor participates in the Self-Insurance program of the County. The coverage for employee health, property, general liability, automobile liability, workers' compensation, and public employee bond and comprehensive crime loss is covered through a comprehensive property and liability risk management program reported in the Self-Insurance Fund of the County. The County is part of the Tri-County Risk Management Program, which is a public entity risk pool. The program is a self-insurance program whereby the County makes annual contributions along with the other members of the program.

The County is subject to a special assessment in the event of a deficiency, except to the extent that the deficiency results from a specific claim against a member in excess of the reinsurance available; such a deficiency is solely the responsibility of that member. The program is reported by the County as an Internal Service Fund. The Supervisor makes annual contributions to the County self-insurance fund based on amounts determined by the Board of County Commissioners. Such contributions were \$49,874 during the fiscal year ended September 30, 2023, and are included as expenditures in the accompanying special-purpose financial statements. As of September 30, 2023, 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, 2023, 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 23, 2024.

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 23, 2024.

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

MSL, P.A.

Certified Public Accountants

Orlando, Florida
January 23, 2024



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, 2023, and have issued our report thereon dated January 23, 2024.

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 23, 2024, 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 23, 2024



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, 2023. 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, 2023, in all material respects.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
January 23, 2024



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**MARTIN COUNTY, FLORIDA
TAX COLLECTOR**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2023



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Martin County, Florida
Tax Collector
For the Year Ended September 30, 2023

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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, 2023, 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Tax Collector as of September 30, 2023, and the respective change in financial position, and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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, 2023, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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, 2024, 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, 2024



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Martin County, Florida
Tax Collector
Special-Purpose Balance Sheet
General Fund
September 30, 2023

ASSETS

Cash and cash equivalents	\$	6,152,596

LIABILITIES

Accrued wages payable	\$	61,305
Due to Board of County Commissioners		5,652,641
Due to other governmental agencies		230,202
Deposits and other liabilities		208,448
Total liabilities		<u>6,152,596</u>

FUND BALANCE

Total fund balance		<u>-</u>

Total liabilities and fund balance	\$	<u>6,152,596</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, 2023

REVENUES

Charges for services	\$ 12,150,484
Interest income	1,365
Miscellaneous revenues	<u>3,021</u>
Total revenues	<u><u>12,154,870</u></u>

EXPENDITURES

Current:	
General government	<u>6,502,229</u>

Excess of revenues over expenditures	<u><u>5,652,641</u></u>

OTHER FINANCING USES

Transfers out	<u>(5,652,641)</u>
Total other financing uses	<u><u>(5,652,641)</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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 11,383,645	\$ 11,383,645	\$ 12,150,484	\$ 766,839
Interest income	1,000	1,000	1,365	365
Miscellaneous revenues	5,000	5,000	3,021	(1,979)
Total revenues	<u>11,389,645</u>	<u>11,389,645</u>	<u>12,154,870</u>	<u>765,225</u>
EXPENDITURES				
Current:				
General government	<u>7,363,718</u>	<u>7,363,718</u>	<u>6,502,229</u>	<u>861,489</u>
Excess of revenues over expenditures	<u>4,025,927</u>	<u>4,025,927</u>	<u>5,652,641</u>	<u>1,626,714</u>
OTHER FINANCING USES				
Transfers out	<u>(4,025,927)</u>	<u>(4,025,927)</u>	<u>(5,652,641)</u>	<u>(1,626,714)</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, 2023

ASSETS

Cash and cash equivalents	\$ 6,190,783
Accounts receivable	<u>628,201</u>
Total assets	<u><u>6,818,984</u></u>

LIABILITIES

Installment tax escrow	4,366,921
Due to other governmental agencies	<u>2,452,063</u>
Total liabilities	<u><u>6,818,984</u></u>

NET POSITION

Net position	<u>-</u>
Total net position	<u><u>\$ -</u></u>

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

Martin County, Florida
Tax Collector
Special-Purpose Statement of Changes in Fiduciary Net Position
Custodial Fund
For the Year Ended September 30, 2023

ADDITIONS:

Tax collections for Martin County Board of County Commissioners	\$ 278,055,911
Tax collections for other governments	278,076,846
Miscellaneous	<u>8,059,912</u>
Total additions	<u>564,192,669</u>

DEDUCTIONS:

Payments to Martin County Board of County Commissioners	278,055,911
Payments to other governments	278,076,846
Miscellaneous	<u>8,059,912</u>
Total deductions	<u>564,192,669</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, 2023

Note 1 - Summary of Significant Accounting Policies

The significant accounting policies followed by the Tax Collector of Martin County; Florida (the “Tax Collector”) are summarized below:

A. General Information

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

B. Reporting Entity and Financial Statement Presentation

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

Entity status for financial reporting purposes is governed by the Governmental Accounting Standards Board’s (“GASB”) Codification Section 2100 “Defining the Financial Reporting Entity.” Although the Tax Collector’s Office is operationally autonomous from the County, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Tax Collector is reported as a part of the primary government of Martin County, Florida.

The Tax Collector’s special-purpose financial statements are prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*, which require the Tax Collector to only present fund financial statements. In conformity with the Rules, the Tax Collector has not presented the government-wide financial statements, related disclosures or management’s discussion and analysis, which are required to present a complete presentation of its financial position and changes in financial position.

These financial statements are not intended to be a complete presentation of the financial position of the Tax Collector or Martin County, Florida as of September 30, 2023, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

C. Fund Accounting

The accounting records of the Tax Collector are organized on the basis of funds as prescribed by accounting principles generally accepted in the United States of America (“GAAP”) applicable to governments as established by the GASB. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Separate funds are maintained to account for specific government activities or to comply with special regulations or legal restrictions. The various types and funds used by the Tax Collector are described as follows:

Governmental Fund

General Fund – This fund represents the Tax Collector’s major fund and is used to account for all financial activity of the Tax Collector not accounted for in other funds. Revenue is derived primarily from charges for services.

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2023

Fiduciary Fund

Custodial Fund – This fund is used to account for assets, liabilities, and transactions of a governmental unit in the capacity of a trustee or agent for individuals, private organizations, other funds or other governmental units.

D. Measurement Focus and Basis of Accounting

The governmental fund type measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination. This fund is maintained on the modified accrual basis of accounting. Revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the current period. For this purpose, the Tax Collector considers revenue to be available if collected within 60 days after the end of the current fiscal period. The Tax Collector's major source of revenue are fees earned for the collection of taxes on behalf of various taxing authorities. Fees are considered to be earned when the related taxes are collected. Expenditures are recorded in the accounting period in which the related fund liability is incurred, if measurable. Exceptions to this general rule include accumulated sick and vacation, pension, and Other Postemployment Benefits (OPEB). Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities.

The Custodial Fund is maintained on the accrual basis of accounting. This fund is used to account for assets held by the Tax Collector as trustee or agent for individuals and/or other governmental units.

E. Budgets

The budget for the Tax Collector is prepared, adopted, and amended in accordance with Chapter 195.087, Florida Statutes. The budget is balanced, meaning that total appropriations are equal to total revenues. The budget for the General Fund is prepared on a basis consistent with GAAP.

On or before August 1 of each year, the Tax Collector submits to the Florida Department of Revenue (the Department) a budget for the operation of the Tax Collector's office for the ensuing fiscal year, in the manner and form prescribed by the Department. A copy of such budget is furnished at the same time to the Martin County Board of County Commissioners (the "Board"). After the final approval of the budget by the Department, there are no amendments to the budget without the approval of the Department.

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

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted for all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable to the fiscal year when signed into law or otherwise legally authorized.

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2023

F. Cash and Cash Equivalents

For purposes of these statements, demand deposits and petty cash and short-term investments with original maturities of three months or less from date of acquisition are considered to be cash and cash equivalents. Investments in external investment pools, including the Local Government Surplus Funds Trust and Florida Local Government Investment Trust, are considered to be investments.

G. Capital Assets

Upon acquisition, capital assets are recorded as capital outlay expenditures of the appropriate governmental fund in these special-purpose financial statements. The Tax Collector maintains custodial responsibility for the capital assets used by her office; however, they are recorded in the financial statements of the County.

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

H. Compensated Absences

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

I. Use of Estimates

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

J. Transfers out

In accordance with Florida Statutes, all revenues and transfers from the Board in excess of expenditures as of year-end are owed on a prorata basis to the Board and other governments who pay the fees in the same proportion as the total fees earned by the Tax Collector. These unused fees are reported as a transfer out in the accompanying Special-Purpose Statement of Revenues and Expenditures and Changes in Fund Balance for the portion owed to the Board. Excess fees payable to other governments are recorded as a reduction of charges for services revenue and due to other governmental agencies in the general fund. Unused fees transferred out and due to the Board were \$5,652,641 as of September 30, 2023.

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2023

Note 2 - Cash and Cash Equivalents and Investments

Cash and cash equivalents

Cash and cash equivalents consist of demand deposits of \$12,332,879 and petty cash of \$10,500. Deposits whose values exceed the limits of federal depository insurance are entirely insured or collateralized pursuant to Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*, (the “Act”). Under this Act, Florida’s Chief Financial Officer shall determine the collateral requirements and the collateral pledging level for each qualified public depository in order to protect the integrity of the public deposits program. The Public Deposit Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All Tax Collector depositories at year-end were designated as qualified public depositories. The bank balance as of September 30, 2023, was \$12,313,314.

Note 3 - Long-Term Liabilities

Changes in long-term liabilities for the year ended September 30, 2023, are as follows:

	<u>Beginning 10/01/2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending 09/30/2023</u>
Compensated absences	\$ 388,466	\$ 259,396	\$ (423,590)	\$ 224,272

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

Note 4 - Retirement Plan

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

Plan Descriptions

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

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

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2023

An annual comprehensive financial report including financial information and required supplementary information on both plans is publicly available on the web site of the Florida Department of Management Services (<http://www.dms.myflorida.com>).

The Tax Collector contributes to the **Florida Retirement System Investment Plan (Investment Plan)**, a defined contribution plan, for its eligible employees who elect to participate in the Investment Plan in lieu of participating in the FRS Pension Plan. As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of FRS defined-benefit plan. Tax Collector employees participating in the DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.) as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. The Investment Plan is administered by the State Board of Administration (SBA) and is reported in the SBA's annual financial statements and in the State of Florida's annual comprehensive financial report. Financial information on this plan is available on the web at <http://www.sbafla.com/>.

FRS and HIS Contributions

The Tax Collector's employer contributions to both plans totaled \$593,006 for the fiscal year ended September 30, 2023. The Tax Collector contributed 100 percent of its statutorily required contributions for the current and preceding two years for both plans.

Net Pension Liability

For financial reporting purposes, the Tax Collector is deemed to be part of the primary government of Martin County, Florida. A liability related to the Tax Collector's proportionate share of the aggregate net pension liability for both plans will be reported in the financial statements of the County for fiscal year ended September 30, 2023. 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 six years of creditable service. Participants first enrolled on or after July 1, 2011 will be vested, or eligible to receive future benefits after eight years of creditable service. Retirement, disability, and death benefits are based on age, average final compensation and years-of-service credit. For members initially enrolled in the FRS before July 1, 2011, average final compensation is the average of the five highest fiscal years of salary earned during covered employment. For members initially enrolled in the FRS on or after July 1, 2011, average final compensation is the average of the eight highest fiscal years of salary earned during covered employment. Members are eligible for normal retirement when they have met the minimum requirements established by their membership

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2023

class. For members initially enrolled in the FRS before July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 62 or if they have 30 years of creditable service regardless of age. For members initially enrolled in the FRS on or after July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 65 or if they have 33 years of creditable service regardless of age. Early retirement may be taken any time after vesting. However, there is a 5% reduction of benefits for each year prior to normal retirement age or date. The percentage level of employees' payroll contribution rates is determined using the frozen entry age actuarial cost method.

Beginning July 1, 1998, the FRS implemented the Deferred Retirement Option Program (DROP), which is a program within the FRS Pension Plan that allows members to retire without terminating their employment for up to eight 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 4.0%. 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, 2023:

<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%	13.57%
Special Risk	3.00%	32.67%
State Attorney/Public Defender	3.00%	62.72%
County, City, Special District Elected Officers	3.00%	58.68%
Special Risk Administrative Support	3.00%	39.82%
Senior Management	3.00%	34.52%
Deferred Retirement Option Program	N/A	21.13%

*Employer contribution rates in the above table include a 2.00% contribution for the Retiree Health Insurance Subsidy Program.

RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM

Benefits Provided

For the fiscal year ended September 30, 2023, 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, through June 30. Effective July 1, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 per month and a maximum HIS payment of \$225 per month. To

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2023

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, 2023, the contribution rate was 1.66 percent of payroll through June 30 and 2.00 percent of payroll from July 1 through September 30. The Tax Collector contributed 100 percent of its statutorily required contributions for the current and preceding three years. The HIS Program contributions are deposited in a separate trust fund from which payments are authorized. The HIS Program benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

FLORIDA RETIREMENT SYSTEM INVESTMENT PLAN

Vesting Provisions

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds.

Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

For more detailed information on these plans, please refer to the Retirement Note in the County's Annual Comprehensive Financial Report (ACFR).

Note 5 - Other Postemployment Benefits

In addition to the retirement system described in Note 4, the Tax Collector provides postretirement health care benefits, in accordance with state statutes, to all employees who retire from the Tax Collector after vesting with the retirement system. Currently, eighteen (18) 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

Martin County, Florida
Tax Collector
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2023

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 \$83,171 were recognized for postretirement health care.

The Tax Collector's total OPEB liability is reported within the governmental activities column of the County's Statement of Net Position. Further information about OPEB is available in the County's Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023.

Note 6 – Risk Management

The Tax Collector is exposed to various risks of loss related to tort; theft of, damage to, and to destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Tax Collector participates in the Self-Insurance program of the County. The coverage for employee health, property, general liability, automobile liability, workers' compensation, and public employee bond and comprehensive crime loss is covered through a comprehensive property and liability risk management program reported in the Self-Insurance Fund of the County. The County is part of the Tri-County Risk Management Program, which is a public entity risk pool. The program is a self-insurance program whereby the County makes annual contributions along with the other members of the program. The County is subject to a special assessment in the event of a deficiency, except to the extent that the deficiency results from a specific claim against a member in excess of the reinsurance available; such a deficiency is solely the responsibility of that member. The program is reported by the County as an Internal Service Fund. The Tax Collector makes annual contributions to the County self-insurance fund based on amounts determined by the Board of County Commissioners. Such contributions were \$871,599 during the fiscal year ended September 30, 2023 and are included as expenditures in the accompanying special-purpose financial statements. As of September 30, 2023, 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, 2023, 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, 2024.

Report on 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

Report on 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, 2024.

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 Tax Collector'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 Tax Collector'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, 2024



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, 2023, and have issued our report thereon dated February 15, 2024.

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, 2024, 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, 2024



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, 2023. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Tax Collector complied with 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, 2023.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
February 15, 2024

**MARTIN COUNTY, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2023



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Martin County, Florida
Community Redevelopment Agency
For the Year Ended September 30, 2023

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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, 2023, 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, 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, 2023, 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 June 21, 2024, 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
June 21, 2024

Management's Discussion and Analysis (unaudited)

The following narrative provides management's overview and analysis of Martin County Community Redevelopment Agency (CRA) for the fiscal year ended September 30, 2023. 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 2023, the CRA's assets exceeded its liabilities by \$28.746 million. Of this amount, \$14.775 million, or 51.4%, is net investment in capital assets, and \$13.971 million is unrestricted net position.
- At the beginning of fiscal year 2023, the CRA's net position was \$23.094 million; over the course of the year it increased by \$5.652 million, resulting in an ending net position of \$28.746 million.
- During the fiscal year, total assets increased by \$5.489 million, reflecting an increase of \$1.432 million in capital assets and an increase of \$4.057 million in other assets.
- Total liabilities decreased \$0.162 million, all current.

Overview of the Financial Statements

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

Fund Financial Statements

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

These financial statements use a measurement focus and basis of accounting called modified accrual accounting. The modified accrual basis of accounting measures and reports cash and all other financial resources that can be readily converted into cash, usually within a time period of no more than 60 days after the end of the fiscal year. This information is useful in evaluating a government's near-term financing requirements. Because the focus is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Government-wide Financial Statements

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

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

Notes to the Financial Statements

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

Required Supplementary Information

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

Government-wide Financial Analysis

As noted earlier, net position viewed over time may serve as a useful indicator of a government's financial position. At the close of fiscal year 2023, the CRA's assets exceeded liabilities by \$28.746 million.

Martin County CRA's Net Position as of September 30

	2023	2022
Assets		
Current and other assets	\$ 14,668,231	\$ 10,610,845
Capital assets, net	14,774,579	13,342,447
Total assets	<u>29,442,810</u>	<u>23,953,292</u>
Liabilities		
Current liabilities	<u>697,117</u>	<u>859,117</u>
Net position		
Net investments in capital assets	14,774,579	13,342,447
Unrestricted	13,971,114	9,751,728
Total net position	<u>\$ 28,745,693</u>	<u>\$ 23,094,175</u>

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

- During the fiscal year, current and other assets increased \$4.057 million, or 38.24%, from increases in local shared revenue due to the overall increase in property values in the county. Capital assets increased \$1.432 million, or 10.73%, related to completed projects such as Bridge Road "Main Street" resurfacing, Mapp Town Center Phase II, Rio Infrastructure improvements, and Port Salerno Watermain Project.
- Liabilities decreased \$0.162 million during fiscal year 2023. This slight decrease includes an increase of \$0.161 million in accounts payable offset by a decrease of \$0.323 million in retainage.
- The net effect of these year-over-year changes is a \$5.652 million increase in net position.

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

	<u>2023</u>	<u>2022</u>
Revenue		
Intergovernmental revenues and operating grants and contributions, economic environment	\$ 6,378,386	\$ 5,101,838
Capital grants and contributions, economic environment	690,100	-
Interest	494,227	66,048
Net change in fair value of investments	92,512	(61,858)
Total revenues	<u>7,655,225</u>	<u>5,106,028</u>
Expenses		
Current		
Economic Environment	<u>2,003,707</u>	<u>1,715,351</u>
Total expenses	<u>2,003,707</u>	<u>1,715,351</u>
 Change in net position	 5,651,518	 3,390,677
 Net position - beginning	 <u>23,094,175</u>	 <u>19,703,498</u>
 Net position - ending	 <u>\$ 28,745,693</u>	 <u>\$ 23,094,175</u>

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

- Operating grants and contributions increased \$1.967 million, or 38.55%, due to increased property values that generate tax increment financing (TIF).
- Capital contributions increased \$690,100 from donated land and easements.
- Interest, including net change in fair value of investments, increased \$0.583 million because of year-to-year market fluctuations in interest rates.
- Current expenses increased \$0.288 million, or 16.8%, including an increase to depreciation of \$0.222 million. These are normal fluctuations as various project areas start and finish activity. Depreciation activity increases as assets are completed and put into service.

Financial Analysis of the CRA's Funds

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

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

As of September 30, 2023, the CRA's governmental funds reported an ending fund balance of \$13.971 million. Of this total, \$13.935 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 \$5.652 million in revenues over expenditures is related to revenues increasing. This compares to last

fiscal year's increase of \$3.391 million. Revenues increased by \$2.549 million while expenditures increased by \$.288 million year over year, contributing to the increase in net change in fund balance. The CRA's share of local intergovernmental revenue increased \$1.277 million.

Budgetary Highlights

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

The CRA final budget increase of \$10.021 million was primarily due to a \$9.698 million increase to the capital outlay budget, but the increase was not used. Various CRA projects were not completed and are ongoing..

Capital Assets and Debt Administration

As of September 30, 2023, the CRA's investment in capital assets amounts to \$14.775 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

	2023	2022
Land and land use rights	\$ 2,545,097	\$ 1,853,422
Land improvements	1,678,761	362,436
Buildings	338,609	338,609
Land use rights temporary	-	-
Machinery and equipment	129,903	69,154
Infrastructure	9,213,587	2,520,518
Construction in progress	2,240,539	9,163,242
Less: accumulated depreciation	(1,371,917)	(964,934)
Total	<u>\$ 14,774,579</u>	<u>\$ 13,342,447</u>

Major capital additions in fiscal year 2023 include \$7.686 including Mapp Road Town Center (\$2.900 million), Salerno Water Main (\$1.993 million), Bridge Road (\$1.560 million), and Gomez Affordable Housing (\$1.233 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, 2023

	<u>General Fund</u>	<u>Adjustments (Note #2)</u>	<u>Governmental Activities</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 508,718	\$ -	\$ 508,718
Investments	14,123,213	-	14,123,213
Assets held for resale or donation	36,300	-	36,300
Noncurrent assets			
Capital assets not being depreciated	-	4,785,636	4,785,636
Capital assets, net of depreciation	-	9,988,943	9,988,943
Total assets	<u><u>\$ 14,668,231</u></u>	<u><u>14,774,579</u></u>	<u><u>29,442,810</u></u>
LIABILITIES			
Current liabilities			
Accounts payable	658,075	-	658,075
Accrued wages payable	8,332	-	8,332
Contracts payable - retainage	30,710	-	30,710
Total liabilities	<u><u>697,117</u></u>	<u><u>-</u></u>	<u><u>697,117</u></u>
FUND BALANCE			
Assigned to other assigned purposes	36,300	(36,300)	-
Committed to ordinance/CRA	13,934,814	(13,934,814)	-
Total fund balance	<u><u>13,971,114</u></u>	<u><u>(13,971,114)</u></u>	<u><u>-</u></u>
Total liabilities and fund balance	<u><u>\$ 14,668,231</u></u>		
NET POSITION			
Net investment in capital assets		14,774,579	14,774,579
Unrestricted		13,971,114	13,971,114
Total net position		<u><u>\$ 28,745,693</u></u>	<u><u>\$ 28,745,693</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, 2023

	<u>General Fund</u>	<u>Adjustments (Note #2)</u>	<u>Governmental Activities</u>
REVENUES / PROGRAM REVENUES			
Intergovernmental revenues	\$ 6,378,386	\$ (6,176,336)	\$ 202,050
Operating grants and contributions - economic environment	-	6,176,336	6,176,336
Capital grants and contributions - economic environment	-	690,100	690,100
Interest income	494,227	-	494,227
Net change in fair value of investments	92,512	-	92,512
Total revenues / program revenues	<u>6,965,125</u>	<u>690,100</u>	<u>7,655,225</u>
EXPENDITURES / EXPENSES			
Current:			
Economic environment	1,520,767	482,940	2,003,707
Capital outlay	1,224,972	(1,224,972)	-
Total expenditures / expenses	<u>2,745,739</u>	<u>(742,032)</u>	<u>2,003,707</u>
Excess of revenues over expenditures / expenses	<u>4,219,386</u>	<u>1,432,132</u>	<u>5,651,518</u>
Net change in fund balance / net position	<u>4,219,386</u>	<u>1,432,132</u>	<u>5,651,518</u>
Fund balance / net position - beginning	<u>9,751,728</u>	<u>13,342,447</u>	<u>23,094,175</u>
Fund balance / net position - ending	<u>\$ 13,971,114</u>	<u>\$ 14,774,579</u>	<u>\$ 28,745,693</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, 2023

	Budgeted Amounts		Actual	Actual
	Original	Final	Amounts	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ 6,223,456	\$ 6,176,336	\$ 6,378,386	\$ 202,050
Interest income	-	-	494,227	494,227
Net change in fair value of investments	-	-	92,512	92,512
Total revenues	<u>6,223,456</u>	<u>6,176,336</u>	<u>6,965,125</u>	<u>788,789</u>
EXPENDITURES				
Current:				
Economic environment	1,405,749	1,692,640	1,520,767	171,873
Capital outlay	<u>4,806,477</u>	<u>14,504,279</u>	<u>1,224,972</u>	<u>13,279,307</u>
Total expenditures	<u>6,212,226</u>	<u>16,196,919</u>	<u>2,745,739</u>	<u>13,451,180</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,230</u>	<u>(10,020,583)</u>	<u>4,219,386</u>	<u>14,239,969</u>
Reserves	<u>(11,230)</u>	<u>(1,230)</u>	<u>-</u>	<u>1,230</u>
Net change in fund balances	<u>-</u>	<u>(10,021,813)</u>	<u>4,219,386</u>	<u>\$ 14,241,199</u>
Fund balances - beginning	<u>-</u>	<u>10,021,813</u>	<u>9,751,728</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,971,114</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, 2023

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. The CRA is being reported as a nonmajor governmental fund for fiscal year 2023 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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023:

Fund Balance	\$13,971,114
Add Capital Assets, net of accumulated depreciation as they are not financial resources and are therefore not reported in the funds	<u>14,774,579</u>
Net Position	<u><u>\$28,745,693</u></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, 2023:

Net change in fund balance	\$4,219,386
Less current year depreciation on capital assets as the Governmental Fund Statements record an expenditure at the time of purchase	(406,984)
Less asset deletion	(75,956)
Plus capital outlay recorded in fund level statements	1,224,972
Plus capital contribution	<u>690,100</u>
Change in net position	<u><u>\$ 5,651,518</u></u>

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

Note 3 - Cash and Cash Equivalents and Investments

Cash and cash equivalents

The CRA participates in the pooled cash and investments of Martin County, Florida. Florida Statutes authorize the deposit of County funds in demand deposits or time deposits of financial institutions approved by the State Treasurer and are defined as public deposits. All County public deposits are held in qualified public depositories pursuant to chapter 280, Florida Statutes, the "Florida Security for Public Deposits Act." Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The collateral pledging level may range from 25% to 150%, depending upon the depository's financial condition and the length of time that the depository has been established. All collateral must be deposited with the State Treasurer. Any losses to public depositories resulting from insolvency are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessment against other qualified public depositories of the same type as the depository in default. All bank balances of the County are fully insured or collateralized.

The County receives interest on all collected balances in its cash accounts from the qualified public depository acting as its banking agent. Interest earnings are allocated to all funds based on the average daily balance of each fund's equity in the total investment pool. Cash Equivalents consist of short-term investments in highly liquid external local government investment pools with maturities of ninety days or less when purchased. As of September 30, 2023, the CRA had \$508,718 cash and cash equivalents.

Martin County, Florida
Notes to Special-Purpose Financial Statements
For the Year Ended September 30, 2023

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, 2023.

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	\$ 508,718
Investments	<u>14,123,213</u>
	<u>\$ 14,631,931</u>

As of September 30, 2023, 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, 2023

Note 4 – Capital Assets

Capital asset activity for the year ended September 30, 2023, was as follows:

CRA - CAPITAL ASSET ROLLFORWARD FY2023

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,835,126	\$ 691,675	\$ -	\$ 2,526,801
Land use rights - permanent	18,296.00	-	-	18,296.00
Construction in progress	9,163,242.00	1,606,396.00	(8,529,099.00)	2,240,539.00
Total capital assets not being depreciated	11,016,664.00	2,298,071.00	(8,529,099.00)	4,785,636.00
Capital assets being depreciated:				
Buildings and improvements	338,609.00	-	-	338,609.00
Equipment and other assets	69,154.00	60,749.00	-	129,903.00
Land use rights - temporary	-	-	-	-
Land improvements	362,436.00	1,316,325.00	-	1,678,761.00
Infrastructure	2,520,518.00	6,693,069.00	-	9,213,587.00
Total capital assets being depreciated	3,290,717.00	8,070,143.00	-	11,360,860.00
Less accumulated depreciation for:				
Buildings and improvements	(185,236.00)	(14,669.00)	-	(199,905.00)
Equipment and other assets	(20,614.00)	(10,769.00)	-	(31,383.00)
Land use rights - temporary	-	-	-	-
Land improvements	(91,329.00)	(70,427.00)	-	(161,756.00)
Infrastructure	(667,753.00)	(311,119.00)	-	(978,873.00)
Total accumulated depreciation	(964,932.00)	(406,984.00)	-	(1,371,917.00)
Total capital assets being depreciated, net	2,325,783.22	7,663,159.00	-	9,988,943.00
Governmental activities capital assets, net	\$ 13,342,447	\$ 9,961,230	\$ (8,529,099)	\$ 14,774,579

Depreciation expense was charged as follows:

Economic Environment	\$ 406,984
Total Depreciation Expense	\$ 406,984



**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, 2023, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements and have issued our report thereon dated June 21, 2024.

Report on 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

Report on 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 June 21, 2024.

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

MSL, P.A.

Certified Public Accountants

Orlando, Florida
June 21, 2024



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, 2023, and have issued our report thereon dated June 21, 2024.

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 June 21, 2024, 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, 2023.

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
June 21, 2024



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, 2023. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA 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, 2023.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
June 21, 2024



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