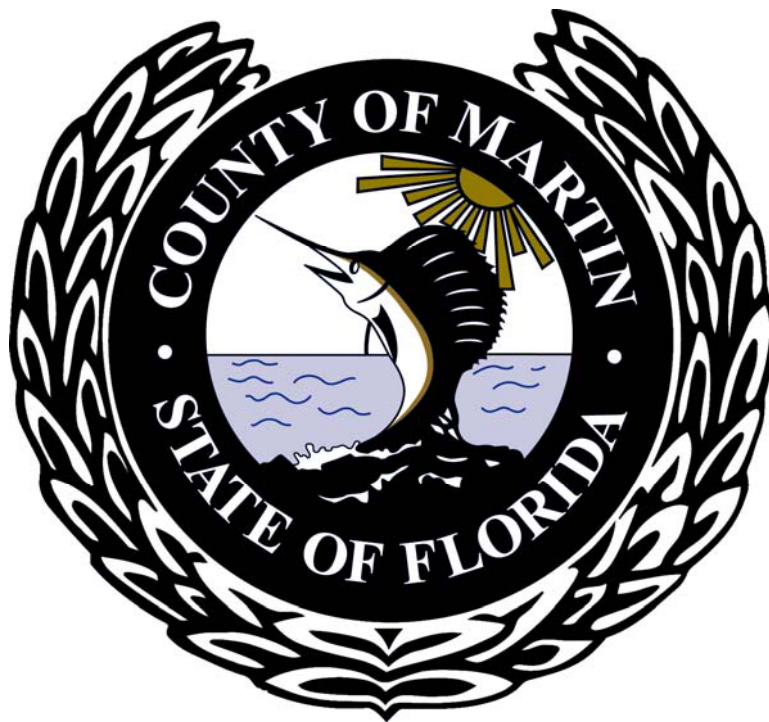


**MARTIN COUNTY, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**



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**Martin County, Florida**  
**Community Redevelopment Agency**  
**For the Year Ended September 30, 2024**

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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 financial statements of the 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 year ended September 30, 2024, 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 accompanying 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, 2024, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 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 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.

***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 GAAS 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 GAAS 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 that audit.

***Required Supplementary Information***

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2025, 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.

**Forvis Mazars, LLP**

**Fort Lauderdale, Florida  
April 10, 2025**

## **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, 2024. 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 2024, the CRA's assets exceeded its liabilities by \$37.986 million. Of this amount, \$19.958 million, or 52.5%, is net investment in capital assets, and \$18.028 million is unrestricted net position.
- At the beginning of fiscal year 2024, the CRA's net position was \$28.746 million; over the course of the year it increased by \$9.240 million, resulting in an ending net position of \$37.986 million.
- During the fiscal year, total assets increased by \$8.705 million, reflecting an increase of \$5.184 million in capital assets and an increase of \$3.522 million in other assets.
- Total liabilities decreased \$0.535 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 CRA'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 CRA'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 2024, the CRA’s assets exceeded liabilities by \$37.986 million.

**CRA's Net Position as of September 30**

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Current and other assets	\$18,189,897	\$14,668,231
Capital assets, net	<u>19,958,123</u>	<u>14,774,579</u>
<b>Total assets</b>	<u>38,148,020</u>	<u>29,442,810</u>
 <b>Liabilities</b>		
Current liabilities	<u>161,879</u>	<u>697,117</u>
 <b>Net position</b>		
Net investments in capital assets	19,958,123	14,774,579
Unrestricted	<u>18,028,018</u>	<u>13,971,114</u>
<b>Total net position</b>	<u>\$37,986,141</u>	<u>\$28,745,693</u>

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

- During the fiscal year, current and other assets increased \$3.521 million, or 24.01%, from increases in local shared revenue due to the overall increase in property values in the county. Capital assets increased \$5.184 million, or 35.08%, related to the contribution of vacant land in Palm City, Palm City Park Improvements, and the Rio Force Main Extension.
- Liabilities decreased \$0.535 million during fiscal year 2024. This decrease includes an increase of \$0.005 million in wages payable offset by a decrease of \$0.528 million in accounts payable and \$0.012 million in retainage payable.
- The net effect of these year-over-year changes is a \$9.240 million increase in net position.

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

	<u>2024</u>	<u>2023</u>
<b>Revenues</b>		
Intergovernmental revenues and operating grants and contributions, economic environment	\$ 6,593,272	\$ 6,378,386
Capital contributions, economic environment	4,245,096	690,100
Interest	742,265	494,227
Net change in fair value of investments	312,603	92,512
<b>Total revenues</b>	<u>11,893,236</u>	<u>7,655,225</u>
<b>Expenses</b>		
Current		
Economic Environment	<u>2,652,788</u>	<u>2,003,707</u>
<b>Total expenses</b>	<u>2,652,788</u>	<u>2,003,707</u>
<b>Change in net position</b>	9,240,448	5,651,518
<b>Net position - beginning</b>	<u>28,745,693</u>	<u>23,094,175</u>
<b>Net position - ending</b>	<u>\$37,986,141</u>	<u>\$28,745,693</u>

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

- Operating grants and contributions increased \$0.215 million, or 3.37%, due to increased property values that generate tax increment financing (TIF).
- Capital contributions increased \$3.555 million, or 515.14% due to the contribution of vacant Palm City land from general fund.
- Interest, including net change in fair value of investments, increased \$0.468 million because of year-to-year market fluctuations in interest rates.
- Current expenses increased \$0.649 million, or 32.39%, including an increase to depreciation of \$0.172 million, increase in salaries \$0.083 million for two additional employees, and an increase in operating expenses of \$0.234 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 CRA'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, 2024, the CRA's governmental funds reported an ending fund balance of \$18.028 million. Of this total, \$17.987 million is designated as committed, \$0.039 million is assigned related to land held for resale, and

the remaining \$0.002 million is nonspendable prepaid items.

The excess of \$3.589 million in revenues over expenditures is related to revenues increasing. This compares to last fiscal year’s increase of \$5.652 million. Revenues increased by \$4.238 million while expenditures increased by \$.649 million year over year, contributing to the increase in net change in fund balance. The CRA’s share of local intergovernmental revenue increased \$.215 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 \$13.590 million was primarily due to a \$13.530 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, 2024, the CRA’s investment in capital assets amounts to \$19.958 million (net of accumulated depreciation). This investment in capital assets includes mostly land and land use rights, infrastructure, and construction in progress.

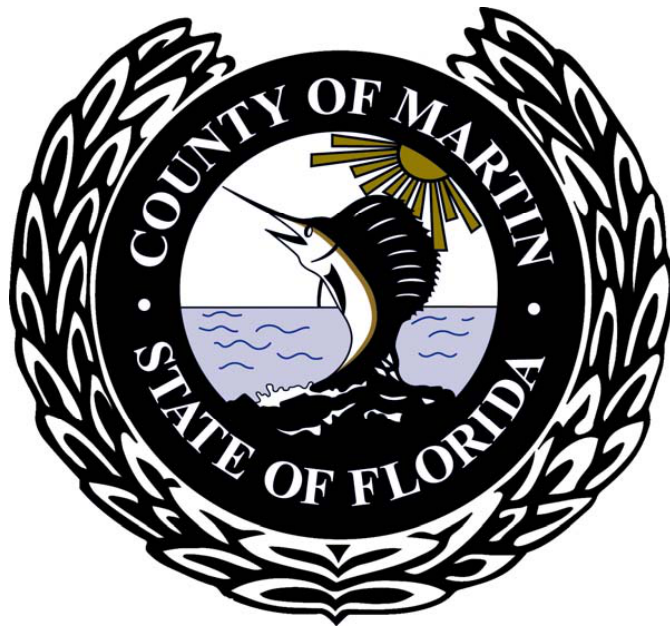
**Martin County CRA's Capital Assets**

	<u>2023</u>	<u>2023</u>
Land and land use rights	\$ 6,790,193	\$ 2,545,097
Land improvements	2,428,481	1,678,761
Buildings	338,609	338,609
Land use rights temporary	-	-
Machinery and equipment	155,203	129,903
Infrastructure	11,081,190	9,213,587
Construction in progress	1,115,247	2,240,539
Less: accumulated depreciation	<u>(1,950,801)</u>	<u>(1,371,917)</u>
Total	<u>\$ 19,958,123</u>	<u>\$ 14,774,579</u>

Major capital additions in fiscal year 2024 include \$5.183 million including the purchase of land in Palm City (\$4.040 million), Palm City Park Improvements (\$0.483 million), and Rio Force Main (\$1.683 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, 2024**

	<u>General Fund</u>	<u>Adjustments (Note #2)</u>	<u>Governmental Activities</u>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 2,348,660	\$ -	\$ 2,348,660
Investments	15,800,063	-	15,800,063
Assets held for resale or donation	39,394	-	39,394
Prepaid items	1,780	-	1,780
Noncurrent assets			
Capital assets not being depreciated	-	7,905,441	7,905,441
Capital assets, net of depreciation	-	12,052,682	12,052,682
<b>Total assets</b>	<u>\$ 18,189,897</u>	<u>19,958,123</u>	<u>38,148,020</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	129,551	-	129,551
Accrued wages payable	13,736	-	13,736
Contracts payable - retainage	18,592	-	18,592
<b>Total liabilities</b>	<u>161,879</u>	<u>-</u>	<u>161,879</u>
<b>FUND BALANCE</b>			
Nonspendable prepaid items	1,780	(1,780)	-
Committed	17,986,844	(17,986,844)	-
Assigned to other assigned purposes	39,394	(39,394)	-
<b>Total fund balance</b>	<u>18,028,018</u>	<u>(18,028,018)</u>	<u>-</u>
<b>Total liabilities and fund balance</b>	<u>\$ 18,189,897</u>		
<b>NET POSITION</b>			
Net investment in capital assets		19,958,123	19,958,123
Unrestricted		18,028,018	18,028,018
<b>Total net position</b>		<u>\$ 37,986,141</u>	<u>\$ 37,986,141</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, 2024**

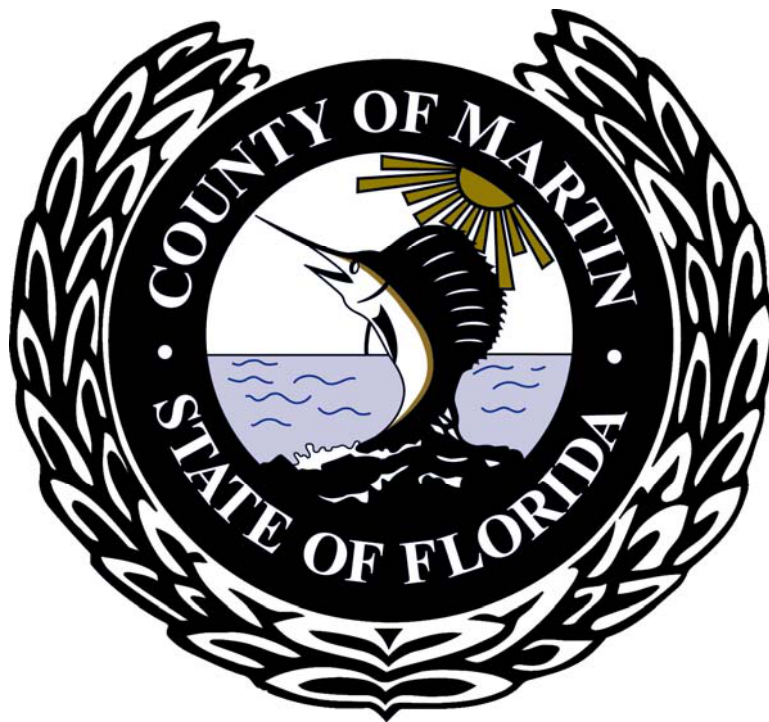
	<u>General Fund</u>	<u>Adjustments (Note #2)</u>	<u>Governmental Activities</u>
<b>REVENUES / PROGRAM REVENUES</b>			
Intergovernmental revenues	\$ 6,593,272	\$ (6,593,272)	\$ -
Operating grants and contributions - economic environment	-	6,593,272	6,593,272
Capital grants and contributions - economic environment	-	4,245,096	4,245,096
Interest income	742,265	-	742,265
Net change in fair value of investments	312,603	-	312,603
<b>Total revenues / program revenues</b>	<u>7,648,140</u>	<u>4,245,096</u>	<u>11,893,236</u>
<b>EXPENDITURES / EXPENSES</b>			
Current:			
Economic environment	2,052,913	599,875	2,652,788
Capital outlay	1,538,323	(1,538,323)	-
<b>Total expenditures / expenses</b>	<u>3,591,236</u>	<u>(938,448)</u>	<u>2,652,788</u>
<b>Excess of revenues over expenditures / expenses</b>	<u>4,056,904</u>	<u>5,183,544</u>	<u>9,240,448</u>
<b>Net change in fund balance / net position</b>	4,056,904	5,183,544	9,240,448
<b>Fund balance / net position - beginning</b>	<u>13,971,114</u>	<u>14,774,579</u>	<u>28,745,693</u>
<b>Fund balance / net position - ending</b>	<u>\$ 18,028,018</u>	<u>\$ 19,958,123</u>	<u>\$ 37,986,141</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 - General Fund**  
**For the Year Ended September 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Actual Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 6,906,840	\$ 6,595,525	\$ 6,593,272	\$ (2,253)
Interest income	-	3,500	742,265	738,765
Net change in fair value of investments	-	-	312,603	312,603
<b>Total revenues</b>	<u>6,906,840</u>	<u>6,599,025</u>	<u>7,648,140</u>	<u>1,049,115</u>
<b>EXPENDITURES</b>				
Current:				
Economic environment	1,719,132	1,779,327	2,052,913	(273,586)
Capital outlay	5,159,208	18,689,809	1,538,323	17,151,486
<b>Total expenditures</b>	<u>6,878,340</u>	<u>20,469,136</u>	<u>3,591,236</u>	<u>16,877,900</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>28,500</u>	<u>(13,870,111)</u>	<u>4,056,904</u>	<u>17,927,015</u>
Reserves	<u>(28,500)</u>	<u>(1,500)</u>	<u>-</u>	<u>1,500</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>(13,871,611)</u>	<u>4,056,904</u>	<u>\$ 17,928,515</u>
<b>Fund balances - beginning</b>	<u>-</u>	<u>13,871,611</u>	<u>13,971,114</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,028,018</u>	

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



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**Martin County, Florida**  
**Notes to Special-Purpose Financial Statements**  
**For the Year Ended September 30, 2024**

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**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 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 2024 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, 2024**

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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, 2024**

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**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, 2024**

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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, 2024**

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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.

*Assigned* fund balance represents amounts that are intended to be used for specific purposes, but neither are restricted or committed.

*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, 2024**

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**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, 2024:

<b>Fund Balance</b>	\$18,028,018
<b>Add</b> Capital Assets, net of accumulated depreciation as they are not financial resources and are therefore not reported in the funds	<u>19,958,123</u>
<b>Net Position</b>	<u><u>\$37,986,141</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, 2024:

<b>Net change in fund balance</b>	\$4,056,904
<b>Less</b> current year depreciation on capital assets as the Governmental Fund Statements record an expenditure at the time of purchase	(578,884)
<b>Less</b> asset deletion	(20,992)
<b>Plus</b> capital outlay recorded in fund level statements	1,538,323
<b>Plus</b> capital contribution	<u>4,245,096</u>
<b>Change in net position</b>	<u><u>\$ 9,240,448</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, 2024, the CRA had \$240,710 in cash and cash equivalents.

**Martin County, Florida**  
**Notes to Special-Purpose Financial Statements**  
**For the Year Ended September 30, 2024**

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**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, 2024.

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	\$ 240,710
Investments	<u>17,908,013</u>
	<u>\$ 18,148,723</u>

As of September 30, 2024, 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, 2024**

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**Note 4 – Capital Assets**

Capital asset activity for the year ended September 30, 2024, was as follows:

**CRA - CAPITAL ASSET ROLLFORWARD FY2024**

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
<b>Capital assets not being depreciated:</b>				
Land	2,526,801	4,245,096	-	6,771,897
Land use rights - permanent	18,296	-	-	18,296
Construction in progress	2,240,539	1,538,323	(2,663,615)	1,115,247
<b>Total capital assets not being depreciated</b>	<b>4,785,636</b>	<b>5,783,419</b>	<b>(2,663,615)</b>	<b>7,905,441</b>
<b>Capital assets being depreciated:</b>				
Buildings and improvements	338,609	-	-	338,609
Equipment and other assets	129,903	25,300	-	155,203
Land use rights - temporary	-	-	-	-
Land improvements	1,678,761	749,720	-	2,428,481
Infrastructure	9,213,587	1,867,603	-	11,081,190
<b>Total capital assets being depreciated</b>	<b>11,360,860</b>	<b>2,642,623</b>	<b>-</b>	<b>14,003,483</b>
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	(199,905)	(14,669)	-	(214,574)
Equipment and other assets	(31,383)	(11,706)	-	(43,089)
Land use rights - temporary	-	-	-	-
Land improvements	(161,756)	(95,817)	-	(257,573)
Infrastructure	(978,873)	(456,691)	-	(1,435,564)
<b>Total accumulated depreciation</b>	<b>(1,371,917)</b>	<b>(578,884)</b>	<b>-</b>	<b>(1,950,801)</b>
<b>Total capital assets being depreciated, net</b>	<b>9,988,943</b>	<b>2,063,739</b>	<b>-</b>	<b>12,052,682</b>
<b>Governmental activities capital assets, net</b>	<b>14,774,579</b>	<b>7,847,158</b>	<b>(2,663,615)</b>	<b>19,958,123</b>

Depreciation expense was charged as follows:

Economic Environment	\$ 578,884
<b>Total Depreciation Expense</b>	<b>\$ 578,884</b>

## **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**

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 (*Government Auditing Standards*), the financial statements of the governmental activities and General Fund of the Martin County Community Redevelopment Agency (the "CRA") as of and for the year ended September 30, 2024, and have issued our report thereon dated April 10, 2025.

### **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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the CRA'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 or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the CRA's basic 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*.

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

We noted certain matters that we reported to management of the CRA in a separate letter dated April 10, 2025.

***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.

**Forvis Mazars, LLP**

**Fort Lauderdale, Florida  
April 10, 2025**

## **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 Community Redevelopment Agency (the “CRA”) as of and for the year ended September 30, 2024, and have issued our report thereon dated April 10, 2025.

### ***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 also 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 and schedule, which are dated April 10, 2025, 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.

### ***Financial Condition and Management***

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, requires us to 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.

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

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.

***Property Assessed Clean Energy (PACE) Programs***

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did operate within Martin County's geographical boundaries during the fiscal year under audit. Program administrator information is reported in Martin County's management letter for the fiscal year ended September 30, 2024.

***Special District Component Units***

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicated the failure of a special district that is a component unit of a county, municipality, or special district, provided 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 determined that all special district component units provided 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's management letter for the fiscal year ended September 30, 2024.

***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 warrants the attention of those charged with governance. In connection with our audit, we did not have 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 CRA Board members, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

**Forvis Mazars, LLP**

**Fort Lauderdale, Florida  
April 10, 2025**

## Independent Accountant's Report

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

We have examined the Martin County Community Redevelopment Agency's (the "CRA") compliance with the requirements of Sections 163.387(6) and (7) and 218.415, Florida Statutes, during the year ended September 30, 2024. 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 year ended September 30, 2024.

**Forvis Mazars, LLP**

**Fort Lauderdale, Florida  
April 10, 2025**