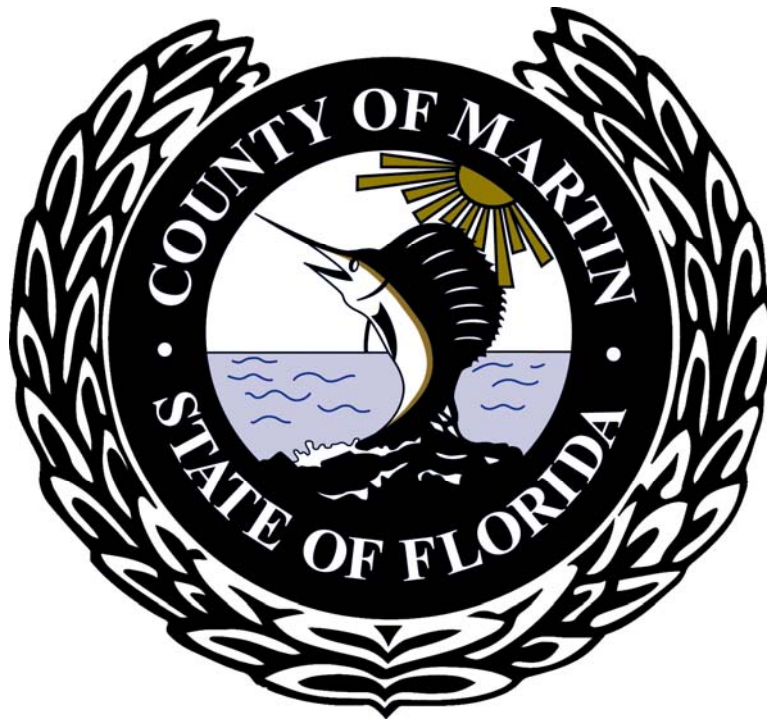


**MARTIN COUNTY, FLORIDA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**



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



**MARTIN COUNTY, FLORIDA  
 COMPREHENSIVE  
 ANNUAL FINANCIAL REPORT  
 Fiscal Year Ended September 30, 2014**

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**CAROLYN TIMMANN**  
*Clerk of the Circuit Court & Comptroller*  
*Martin County • Florida*  
P. O. BOX 9016 • STUART, FLORIDA 34995  
(772) 288-5576

March 31, 2015

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

Re: Comprehensive Annual Financial Report of Martin County for Oct. 1, 2013 – Sept. 30, 2014

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of Martin County, Florida, for the fiscal year ended September 30, 2014, is hereby respectfully submitted in accordance with Chapter 218, Florida Statutes. This document is a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited by an independent certified public accountant.

This report was prepared by the Division of Financial Services of the Office 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, completeness and fairness of the presentation and all disclosures, rests with the Clerk. Likewise, the data is believed to be presented in a manner designed to fairly state the financial position of the County as measured by the activity of its various funds; and that all disclosures necessary to enable the reader to gain maximum understanding of the County's financial affairs have been included.

The Clerk has established a framework of comprehensive internal controls with the objective of providing reasonable assurance that the financial statements are free from material misstatements. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. In addition to conforming to the Generally Accepted Accounting Principles (GAAP), the report was developed and organized according to pronouncements of the Governmental Accounting Standards Board (GASB), and to meet the program requirements of the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting.

This Transmittal Letter highlights certain aspects of the County and summarizes the financial position illustrated in the financial statements. The Financial Section includes the Independent Auditor's Report, followed by the Management's Discussion and Analysis (MD&A), government-wide financial statements, fund financial statements, notes to the financial statements, and Required Supplementary Information (RSI). Significant aspects of the financial operations during the fiscal year and a synopsis of financial prospects for the future are included. The remainder of this section presents the combining statements. This Transmittal Letter is designed to complement the MD&A and should be read in conjunction with it.

The Statistical Section contains comprehensive data designed to depict historical, social, economic, and financial trends and give an overall view of the fiscal capacity of the County.

The County's financial statements for the fiscal year ended September 30, 2014 (FY14), have been audited by McGladrey LLP, Certified Public Accountants. The firm has issued an unmodified ("clean") opinion on Martin County's financial statements.

## **COUNTY PROFILE**

Martin County was incorporated 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 (unincorporated) and the 2014 population is estimated to be 148,585. The Treasure Coast is home to 21 miles of ocean beaches, and 74 parks (approximately 3,538 acres of park land). Other County facilities include 13 fire stations, 7 libraries, 11 community centers and 528 miles of county-maintained roads. During the past decade (2004 - 2014), the population of the County increased 7.59%. The County is currently ranked 31st in population and 26th in density among Florida's counties.

The County is a non-charter county established under the Florida Constitution and the laws of the State of Florida. The City of Stuart, the County Seat, is known as the "Sailfish Capital of the World" and sport fishing attracts many tourists to the area. Other municipalities include the Town of Jupiter Island, Ocean Breeze Park and the Town of Sewall's Point. All of the municipalities enjoy the environmental and economic benefits of the recreational spaces and the 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 emerging on the Gulf of Mexico at Fort Myers, Florida. The County recognizes and prioritizes the importance of maintaining our diverse estuary, including the Indian River Lagoon, to support the ecological and economic impact it provides for Martin County.

The Comprehensive Annual Financial Report discloses the financial position and operations for the following entities: the Board of County Commissioners (which also encompasses the Martin County Utilities and Solid Waste Departments and the Martin County Airport), Clerk of the Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. This report includes all funds of government operations that are controlled by, or dependent upon the County, as determined on the basis of budgetary oversight, taxing authority, or the County's obligation to fund any deficits that may occur. On December 18, 2012, the Board of County Commissioners voted to revert the Community Redevelopment Agency (CRA) Board back to the Board of County Commissioners, which resulted in the CRA being blended with the County's financial statements for fiscal year 2013 and forward.

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 accounting principles generally accepted in the United States (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. Budgetary control is maintained through the use of encumbrances. Appropriations for the County lapse at the close of the fiscal year.



## ECONOMIC CONDITION

### Local Economy

The economy of the County is based upon agriculture, tourism, professional and banking services, healthcare services, and light manufacturing. In the past ten years, property assessed values have increased 27.78%. The County's millage rate adopted for fiscal year 2015 (FY15) is 9.1818, which is 1.01% higher than the fiscal year 2014 budget millage rate of 9.0080. The Property Appraiser certified that property values reflected a total tax base of \$17.62 billion, a 2.56% increase from the prior year. With the increase in millage and the increase of property values, the average Martin County home valued at \$183,860 with the \$50,000 homestead exemption would see an increase of 1.93% in taxes. Likewise, due to the increase in property values, non-homestead residential and commercial property owners may see a nominal tax increase. The total County budget for FY15 is \$351,807,099 which reflects a \$9.2 million decrease from the FY14 budget. The unemployment rate for the County decreased to 6.3% in 2014, from 7.6% in 2013, compared to 5.9% nationally, while Florida's unemployment rate was 6.1%.

After several years of elevated foreclosure filings, FY14 marks the second year the number of mortgage foreclosures filed in Martin County decreased. Following the economic forecasts made at the beginning of the year, foreclosure filings fell from 734 in FY13 to 417 for FY14. The foreclosure backlog continues to decline slowly, due to the fewer filings this year in conjunction with the allocation of state court resources to facilitate processing older cases. As the economy continues to gain strength with unemployment reaching pre-recession levels, foreclosure rates are predicted to slowly return to pre-recession levels, as well.

### Long-Term Financial Planning

After years of stagnation and limping along, our economy IS improving. We have reason to be optimistic about Martin County's future. We, the staff of the Martin County Board of County Commissioners, are seeing this first-hand. Building and development review activities are more robust. County staff is processing more applications and permits and conducting more inspections. Property values are increasing. Unemployment is down. Our population is projected to grow steadily.

2014 brought with it many accomplishments for the Martin County Board of County Commissioners that help make Martin County a great place to live, work and play.

- The Board continued its focus on natural resources and environmental protection.
  - Staff worked with our state and federal partners to secure millions of dollars in funding for completion of the C-44 project, currently under construction west of Indiantown. This federal project will provide storage and treatment facilities for runoff water before it enters the St. Lucie River and Indian River Lagoon.
  - We are completing our own local water quality improvement projects. These projects have already shown success, by reducing amounts of the harmful pollutants nitrogen and phosphorous entering our waterways. We are very proud of these "neighborhood" projects and will continue to report their results.
  - The adoption of several amendments to County's Comprehensive Growth Management Plan has strengthened land development rules.
  - We made changes to ordinances regulating truck stops and mobile homes, and the new rules are more consistent with the County's Comprehensive Plan.
  - We completed a dredging project of the St. Lucie Inlet. Approximately 373,000 cubic yards of sand were dredged from the Inlet and placed on the beach in the Hobe Sound National Wildlife Refuge. A safe, navigable inlet is critically important to our community because it provides access between the Atlantic Ocean and inland waterways, centers of commerce, and private and commercial docks.

- We worked with the State to obtain a “critical wildlife area” designation for MC-2. Known as Bird Island off Sewall’s Point, this spoil island is an important nesting site for a variety of wading birds and one shorebird species.
- We are also reinvigorating our land acquisition efforts to acquire conservation lands that are important for regional ecosystem restoration needs and hydrological improvements.
- The Board maintained and added infrastructure in an efficient, cost-effective manner to ensure public facilities serve County residents’ needs.
  - We restored the Hobe Sound Bascule Bridge. The 5-span, 383-foot long, drawbridge over the Intracoastal Waterway had not been painted since it was erected in 1985. Repainting the bridge is a complex and complicated process, but was done with minimal impacts to the environment and residents.
  - We resurfaced miles of roads and added bike lanes in the process.
  - We opened Citrus Grove Community Park in Palm City, home to the North County Little League. This 27-acre park features four baseball fields, sport lighting, a concession/restroom building, parking and landscaping.
  - We replaced a structurally inadequate concrete bridge over a drainage canal west of Hobe Sound. The CR-708 bridge was of particular concern because it is subject to considerable truck traffic as it sometimes serves as a detour to I-95.
  - We added two new lifeguard towers to Jensen Beach and Hobe Sound Beach. These new towers were manufactured locally and improve public and lifeguard safety.
  - We extended our Community Broadband Network to include more public and private facilities.
  - We added amenities to our public beaches like lounge chairs and umbrellas and made upgrades to the popular beachfront eatery, Sand Dune Café.
  - We renovated and remodeled some areas of the Robert Morgade Library and upgraded technology there to allow for a streamlined system of checking out and checking in materials.
  - Our Parks Department resurfaced courts, replaced playground equipment and installed new lighting and signs at some parks.
  - We opened the long-awaited Veterans Memorial Bridge. This new bridge spans the St. Lucie River and Okeechobee Waterway, connecting Indian Street in Stuart and C.R. 714 in Palm City. The project received support from local, state and federal agencies.
- The Board continued to support efforts to diversify the local economy.
  - After receiving input from stakeholders, the community and other local governments, Martin County created the Office of Tourism and Marketing. The Office is working on increasing the economic impact of tourism on the area.
  - We continue our partnership with the Business Development Board of Martin County to help support existing businesses and attract new companies. We welcome new businesses like Ocean Master Marine to Martin County. Ocean Master plans on expanding an existing building to accommodate additional production lines. County staff is fast-tracking the review process to make it easier for targeted businesses to move or expand.
  - Sailfish Splash Waterpark continues to generate revenue for Martin County, profitable for the third year in a row, as many years as the park has been operational.
  - Our facilities and projects are boosting the local economy. Construction on the Veterans Memorial Bridge brought hundreds of direct jobs. Sailfish Splash Waterpark hires approximately 130 seasonal staff each year.

In 2015, we will continue to address aging infrastructure and maintenance needs. We have to determine which funding solutions are the best choices to address our current \$258 million dollar backlog in projects. We expect the Board to revisit funding initiatives again in 2015. This backlog has accumulated over time, and cannot be addressed all at once in the immediate future. A long term solution will be necessary.

We'll also continue to address the County's concerns on the proposed All Aboard Florida passenger rail service. While the trains are expected to run through Martin County, no stop is planned at this time. The Board has expressed serious concerns about the impacts of the proposed service and continues to examine the potential impacts of this project as more information becomes known and advocates for Martin County's interests.

The Board will establish new strategic goals in 2015. Staff looks forward to implementing the new goals and will report on their successes next year.

### **COUNTY CONSTITUTIONAL OFFICERS**

The mission of the Martin County Sheriff's Office (MCSO) is to serve and safeguard all persons in Martin County and ensure the quality of life for all through the effective and efficient delivery of law enforcement, detention and court services. The Sheriff's Office has focused on updating its aging fleet of vehicles and modernizing equipment and software to efficiently provide law enforcement services to the citizens of Martin County. In addition to providing primary law enforcement services such as responding to calls, traffic enforcement, and criminal and narcotics investigations; the MCSO also provides assistance to the county in the form of civil and criminal process, crime prevention and education programs, school resource programs, victim assistance services, court security and school crossing guards. The Sheriff is also responsible for the care, custody and control of approximately 600 individuals in the Martin County Jail. The Sheriff's Office is committed to continuing to achieve its mission by utilizing its resources in the most cost-effective manner possible.

As the gatekeeper of the democratic process, the mission of the Martin County Supervisor of Elections is to enhance public confidence, encourage citizen participation, and increase voter awareness and education for citizens of all ages. Annually, every effort is made to substantially reduce costs while maintaining a high standard of voter services to meet the mission of the office. A zero-based budgeting approach is utilized and staffing levels have been maintained at eight full-time employees. The goal of the Supervisor of Elections' Office is to provide excellent voter services and efficient elections at the level Martin County voters expect with budget levels remaining constant throughout the 2016 Presidential Election cycle.

The Property Appraiser's role is complicated due to fluctuations in the real estate market and changing rules and regulations. The office must continually evolve and update in order to accomplish its mission and to fairly assess all properties. Accomplishments and initiatives for the Property Appraiser's office include continuing education, use of current technology and collaboration with County partners. Continuing education is an important investment by the office to keep abreast of the latest techniques and developments in the appraisal profession and changing rules and regulations. The Property Appraiser's office continues to increase the use of Graphic Information System (GIS) maps to enhance quality control and efficiency. This technology allows for a visual check for assessment inconsistencies and locating buildings constructed without permits. The office website [www.pa.martin.fl.us](http://www.pa.martin.fl.us) is mobile friendly. Website usage by the public significantly reduces phone calls and inquiries to the office. We have expanded the number of data reports available on the Property Appraiser's website, free of charge, to over thirty (30) of the most often requested by the public. This significantly reduces the number of requests to the Appraiser's office from the public for "custom" reports, which allows staff more time to devote to other tasks. As an added service, property owners will soon have the ability to file for property exemptions on-line. This service is expected to provide increased efficiency for the Property Appraiser's office by reducing the amount of time spent by staff meeting with property owners. The Appraiser's office continues to value its partnership with the Martin County Information Technology Service (ITS) Team. The office renewed its agreement to consolidate its computer and network systems and resources with the County systems, providing cost savings. This allows the Appraiser's office to focus its efforts on

producing the tax roll, rather than managing information technology systems. To protect the public's health and safety, the Property Appraiser's staff is working with Martin County light-duty Fire Rescue personnel confirming address numbers are located on every home and business. Overall, County efficiencies will be gained by consolidating the automated portion of the payroll process with the Clerk of the Circuit Court and Comptroller. The Appraiser's office will gain another level of oversight and expertise. The Appraiser's office is partnering with Florida Atlantic University, Center for Urban and Environmental Solutions, to analyze the impacts of the All Aboard Florida high speed passenger rail on residential property values in Martin County.

The Tax Collector's Office continues efforts to increase efficiency and control spending while continuing to add services and conveniences to offer its constituents the highest levels of service at the lowest cost. The Tax Collector is an agent for the Department of Revenue, the Department of Highway Safety & Motor Vehicles, and the Department of Florida Fish & Wildlife Conservation. The Tax Collector has additionally entered into partnership agreements with the Florida Department of Transportation, the Florida Department of Health, and the Florida Department of Agriculture & Consumer Services to provide further essential services to benefit our taxpayers and add value to our service to the public. The Florida Tax Collector's Association awarded the Martin County Tax Collector the very prestigious Excellence in Finance Operations Award and this office has maintained that designation for the past four years. There are four areas of competency that are judged for this designation, including the following: Innovation and automation are the important factors of the most efficient government agencies and in order to meet this competency, the agency has to deploy a concept within the last twelve months and have documented proof of actual dollars saved. In addition, they met the other competencies by having an audit report clean of any material findings, by providing excellent customer service to both internal and external customers, and by meeting several budgeting requirements. In 2012, 2013 and 2014, the Tax Collector's office was honored with the Legacy Award for demonstrating that the office had further enhanced its financial operations. The Tax Collector's Office will continue to provide quality services with exceptional customer service and will move forward through technology to improve operations with a mission to save taxpayer's dollars and to increase services and conveniences to proudly better serve the public.

The Office of the Clerk of the Circuit Court and Comptroller continues to fulfill its constitutional and statutory responsibilities as a Public Trustee. These duties include serving as Records Custodian, Auditor, Custodian of all county funds, and ex-officio Clerk to the Board of County Commissioners. In keeping with the commitment of providing the highest level of customer service and delivering meaningful value to the taxpayers, the Clerk launched several new initiatives. For instance, the county's official property records in the Clerk's custody are now electronically linked directly to the records held by the Property Appraiser, enabling the public and businesses to quickly and cost effectively search for the full history of a local property. Redaction software was deployed to protect confidential information within court and official records; an extensive scanning and preservation project was launched to preserve both new and historic local records; and a full review was completed of all archived county records resulting in a significant savings to the county while improving documentation of stored records. By maximizing available resources to prioritize customer service and safeguard public funds, all operations of the Clerk and Comptroller's Office are firmly affixed on delivering the highest level of service and optimizing technology to the fullest. Ongoing technology projects include court mandated e-Filing, expanding and facilitating online access to public and court records, offering e-Recording for official records, and advancing accounting practices through the use of updated electronic tools and best practice models. The payroll division provides support and compliance for all County, Clerk and Supervisor of Elections employees. Plans are underway for the Clerk to support the Property Appraiser in their payroll processing, as well. Through the Clerk's role as the Chief Financial Officer and Comptroller for the county, the office is responsible for providing quality internal audits to assess financial, compliance, efficiency and performance measures to ensure county funds and assets are protected. Some examples of recent audit and compliance review projects conducted or facilitated by the Clerk and

Comptroller's Office include reviews of employee contributions to health and life insurance benefits, an inventory of the utility warehouse, various contract compliance reviews, leave accrual and retirement payout compliance, and internal database security access levels. Additionally, a number of both complex and routine audits are currently ongoing. The office also has oversight for the County's Fraud Hotline and, internally, elevates the professional standards, training, and internal audit functions. Overall, the Office of the Clerk and Comptroller for the county is fully focused on ensuring efficient and effective operations and access to public records, while providing and protecting residents from fraud, waste and abuse of taxpayer dollars.

#### AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Martin County for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2013. This was the twenty-first consecutive year that the County achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This CAFR must satisfy both generally accepted accounting principles and applicable legal requirements and will be submitted to the GFOA to determine its eligibility for recognition, as well.

Special acknowledgement for the preparation of this Comprehensive Annual Financial Report is extended to the Office of Management and Budget of the Board of County Commissioners and the Division of Financial Services staff of the Clerk of the Circuit Court and Comptroller of Martin County, as Auditor and Comptroller to the Board of County Commissioners. Additional exemplary assistance was provided by the University of Florida's Bureau of Economic and Business Research for statistical data.

This annual comprehensive financial review is accomplished in great part to collegial partnerships between the Board of County Commissioners, the Constitutional Officers, Martin County School Board, and our Municipalities. Additionally, while the Clerk's Division of Financial Services was responsible for the preparation of this CAFR, the firm of McGladrey LLP, Certified Public Accountants, provided guidance, comments and advice.

Therefore, it is with gratitude to many for their professional participation in this Comprehensive Annual Financial Report (CAFR) of Martin County, Florida, for the fiscal year ended September 30, 2014.

Respectfully submitted,



Carolyn Timmann  
Clerk of the Circuit Court and Comptroller



Paul Schmitt  
Director of Financial Services



Sandra M. Smith, CPA  
Financial Manager

CT/sg



**MARTIN COUNTY, FLORIDA  
ELECTED OFFICIALS  
AS OF SEPTEMBER 30, 2014**

**BOARD OF COUNTY COMMISSIONERS**

**SARAH HEARD**  
Chairman

**DOUG SMITH**  
County Commissioner  
District #1

**ED FIELDING**  
County Commissioner  
District #2

**ANNE SCOTT**  
County Commissioner  
District #3

**JOHN HADDOX**  
County Commissioner  
District #5

**CONSTITUTIONAL OFFICERS**

**CAROLYN TIMMANN**  
Clerk of the Circuit Court & Comptroller

**LAUREL KELLY**  
Property Appraiser

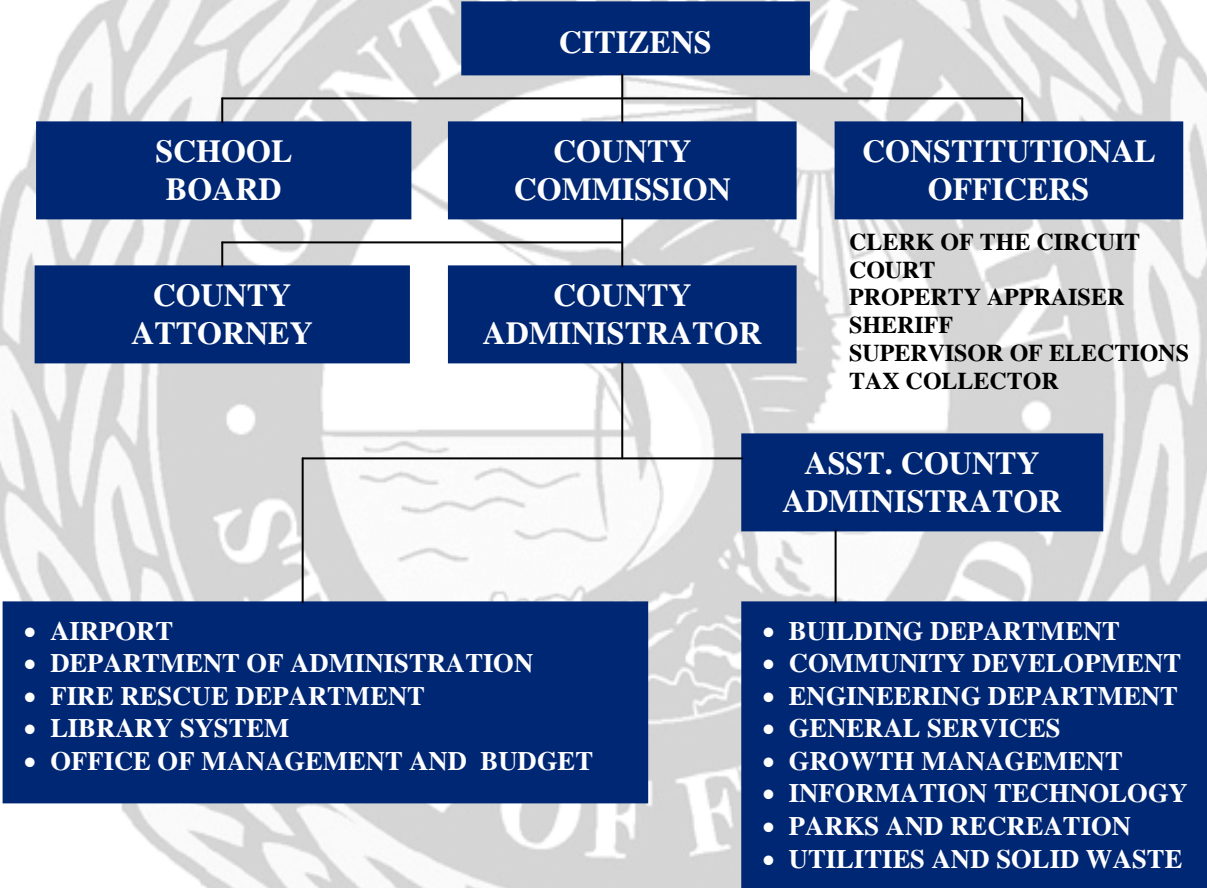
**VICKI DAVIS**  
Supervisor of Elections

**WILLIAM SNYDER**  
Sheriff

**RUTH PIETRUSZEWSKI**  
Tax Collector









Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Martin County  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2013**

Executive Director/CEO



## Independent Auditor's Report

Honorable Chair and Members of  
the Board of County Commissioners  
Martin County, Florida

Honorable William D. Snyder  
Sheriff

Honorable Carolyn Timmann  
Clerk and Comptroller

Honorable Vicki Davis  
Supervisor of Elections

Honorable Laurel Kelly  
Property Appraiser

Honorable Ruth Pietruszewski  
Tax Collector

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Martin County, Florida (the "County"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Martin County, Florida, as of September 30, 2014, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison for the General Fund, Consolidated Fire/EMS MSTU Fund and CRA Trust Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in note 19 to the financial statements, the County restated its net position as of October 1, 2013. When adopting the requirements of Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other postemployment benefit disclosures be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

The combining and individual fund financial statements and schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 combining and individual fund statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated March 31, 2015 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, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*McGladrey LLP*

West Palm Beach, Florida  
March 31, 2015



## Management's Discussion and Analysis (unaudited)

The following narrative provides a management's overview and analysis of Martin County's (the County) financial activities for the fiscal year ended September 30, 2014. This information should be reviewed in conjunction with the financial statements and notes following this section.

### **Financial Highlights**

- At the close of fiscal year 2014, the County's assets and deferred outflows exceeded its liabilities by \$852.7 million (net position). Of this amount, \$39 million represents the amount available to meet the government's ongoing obligations to its citizens and creditors (unrestricted net position).
- During the fiscal year, the total assets and deferred outflows increased \$96.3 million – the majority for infrastructure due to the new Veteran's Memorial Bridge which was recorded as a capital contribution from the state.
- Unassigned fund balance for the General Fund represents 5.4% of the total General Fund expenditures, while the total fund balance represents 24.54% of the same amount.

### **Overview of the Financial Statements**

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

**Government-wide financial statements:** The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the County's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The *Statement of Activities* presents information showing how the County's net position changed during the fiscal year. These two statements include *all* assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two government-wide financial statements distinguish functions in the County that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or most of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation. Property taxes, franchise fees, and state and federal grants finance most of these activities. Some user fees also offset the costs of providing services in various areas, but are not the primary source of funding for the related activities. The business-type activities of the County include a water and sewer utility, a solid waste disposal facility, and an airport authority. User fees to customers of these activities finance the predominant amount of the day-to-day operations.

**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, like other state and local governments, uses fund accounting to demonstrate compliance with finance-related legal requirements. All of the County funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds:** Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of *governmental funds* is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar 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 a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County adopts annual budgets in accordance with state law for all funds under the control of the governmental reporting entity. The budgetary comparison statements for the General Fund and the Consolidated Fire/EMS MSTU fund can be found in the basic financial statements. For other funds, the schedules of revenues, expenditures, and changes in fund balances-budget and actual, are also provided.

The County currently has thirty (30) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the major funds: General Fund and Consolidated Fire/EMS MSTU fund. Additionally, the non-major CRA fund is presented with the major funds due to public interest and to provide financial transparency. Data for the other twenty seven (27) funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements 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, 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, 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 funding of other postemployment benefits (OPEB). The schedule of funding progress compares the actuarial accrued liability for benefits with the actuarial value of accumulated plan assets over time.



## 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 2014, the County's assets exceeded liabilities by \$852.7 million. Of the total net position, \$603.1 million can be attributed to governmental activities and \$249.5 million to business-type activities.

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

	2014	2013	2014	2013	2014	2013
	Governmental	Governmental	Business-type	Business-type	Total	Total
	activities	activities	activities	activities	Total	Total
Current and other assets	\$ 122,789	\$ 128,821	\$ 68,826	\$ 69,244	\$ 191,615	\$ 198,065
Capital assets, net	632,807	536,197	279,119	272,570	911,926	808,767
Total assets	755,596	665,018	347,945	341,814	1,103,541	1,006,832
Deferred outflows of resources						
Loss on refunding debt	-	-	3,435	3,878	3,435	3,878
Long-term liabilities outstanding	125,615	124,747	90,548	91,134	216,163	215,881
Other liabilities	26,802	28,390	11,281	9,822	38,083	38,212
Total liabilities	152,417	153,137	101,829	100,956	254,246	254,093
Deferred inflows of resources						
Unamortized bond premium	-	200	-	-	-	200
Net position:						
Investment in capital assets	573,143	468,254	192,874	189,664	766,017	657,918
Restricted	30,473	40,752	17,166	16,665	47,639	57,417
Unrestricted	(437)	2,675	39,511	38,407	39,074	41,082
Total net position	\$ 603,179	\$ 511,681	\$ 249,551	\$ 244,736	\$ 852,730	\$ 756,417

The largest portion of the County's net position, \$766 million (89.83%), reflects its net investment in capital assets (i.e., 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, \$47.6 million (5.59%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$39 million, (4.58%), may be used to meet the government's ongoing obligations. At the end of the current fiscal year, the County is able to report positive balances in all three categories of net position, both for the government as whole and for the business-type activities; the unrestricted net position for governmental activities has a deficit balance of \$0.4 million. The County's overall net position increased by \$96.3 million or 12.73%; \$91.5 million can be attributed to the county's governmental activities and the balance of \$4.8 million to business activities.

During the fiscal year, the total assets and the deferred outflows of resources increased \$96.3 million. The total liabilities and deferred inflows increased \$0.6 million. The primary reason for the increase in total assets is the completion of Veteran's Memorial Bridge, which was transferred to the County from the State of Florida as a \$98.3 million of capital contribution. Increases in liabilities payable from restricted assets and in revenue that is unavailable make up the increases in the total liabilities and deferred inflows.

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

	2014	2013	2014	2013	2014	2013
	Governmental activities	Governmental activities	Business- type activities	Business- type activities	Total	Total
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 28,777	\$ 28,421	\$ 50,828	\$ 48,395	\$ 79,605	\$ 76,816
Operating grants and contributions	12,680	13,609	422	914	13,102	14,523
Capital grants and contributions	5,890	4,746	2,578	4,430	8,468	9,176
General revenues:						
Property taxes	137,906	131,444	-	-	137,906	131,444
Other taxes	25,082	23,629	-	-	25,082	23,629
Contributions not restricted to specific programs	4,397	4,145	-	-	4,397	4,145
Other	4,832	4,879	2,698	2,271	7,530	7,150
Total revenues	<u>219,564</u>	<u>210,873</u>	<u>56,526</u>	<u>56,010</u>	<u>276,090</u>	<u>266,883</u>
<b>Expenses:</b>						
General government	55,399	53,203	-	-	55,399	53,203
Public safety	110,539	106,615	-	-	110,539	106,615
Physical environment	12,681	8,293	-	-	12,681	8,293
Transportation	19,847	17,403	-	-	19,847	17,403
Economic environment	2,241	3,455	-	-	2,241	3,455
Human services	6,481	5,743	-	-	6,481	5,743
Culture and recreation	15,906	15,097	-	-	15,906	15,097
Interest on long-term debt	2,715	3,517	-	-	2,715	3,517
Water	-	-	16,537	16,405	16,537	16,405
Sewer	-	-	13,531	13,486	13,531	13,486
Solid waste	-	-	18,953	18,067	18,953	18,067
Airport	-	-	2,640	3,090	2,640	3,090
Total expenses	<u>225,809</u>	<u>213,326</u>	<u>51,661</u>	<u>51,048</u>	<u>277,470</u>	<u>264,374</u>
Change in net position before transfers	(6,245)	(2,453)	4,865	4,962	(1,380)	2,509
Transfers	50	50	(50)	(50)	-	-
Special item Veterans Memorial Bridge	97,693	-	-	-	97,693	-
Change in net position	91,498	(2,403)	4,815	4,912	96,313	2,509
Net position-beginning	<u>511,681</u>	<u>514,325</u>	<u>244,736</u>	<u>240,568</u>	<u>756,417</u>	<u>754,893</u>
Restatement *	<u>-</u>	<u>(241)</u>	<u>-</u>	<u>(744)</u>	<u>-</u>	<u>(985)</u>
Net position-beginning, as restated	<u>511,681</u>	<u>514,084</u>	<u>244,736</u>	<u>239,824</u>	<u>756,417</u>	<u>753,908</u>
Net position-ending	<u>\$ 603,179</u>	<u>\$ 511,681</u>	<u>\$ 249,551</u>	<u>\$ 244,736</u>	<u>\$ 852,730</u>	<u>\$ 756,417</u>

\* See note 19 for additional information - restatement required due to implementation of GASB Statement 65, *Items Previously Reported as Assets and Liabilities*. Since MD&A is comparative, restatement was pushed back to fiscal year 2013.

Governmental Activities:

Operating grants and contributions:

- Decreased \$0.92 million, or 6.3%, as a consequence of completion of several grant projects and programs in the prior year, which included the Neighborhood Stabilization Program and Martin County Shore Protection

Capital grants and contributions:

- Increased \$98.8 million, or 2,083%, as a result of capital contributions to the County of \$103.5 million which includes \$97.6 million for the Veteran's Memorial Bridge, which is presented as a special item on the Statement of Activities.

Property Taxes:

- Increased by \$6.5 million or 4.9% due to a slight increase of 1.9 % in the county's direct milage rate and a 1.48% increase in the taxable property valuation

Physical environment expenses:

- Increased by \$4.4 million, or 52.9%, realigning to a more typical trend after a prior year decline of 15.7 million due to the completion of two major coastal management projects: St. Lucie Inlet dredging and Hutchinson Island beach renourishment. Current year projects included additional expenses for St. Lucie Inlet dredging and the C-44 project, currently under construction. This project will provide storage and treatment facilities for runoff water.

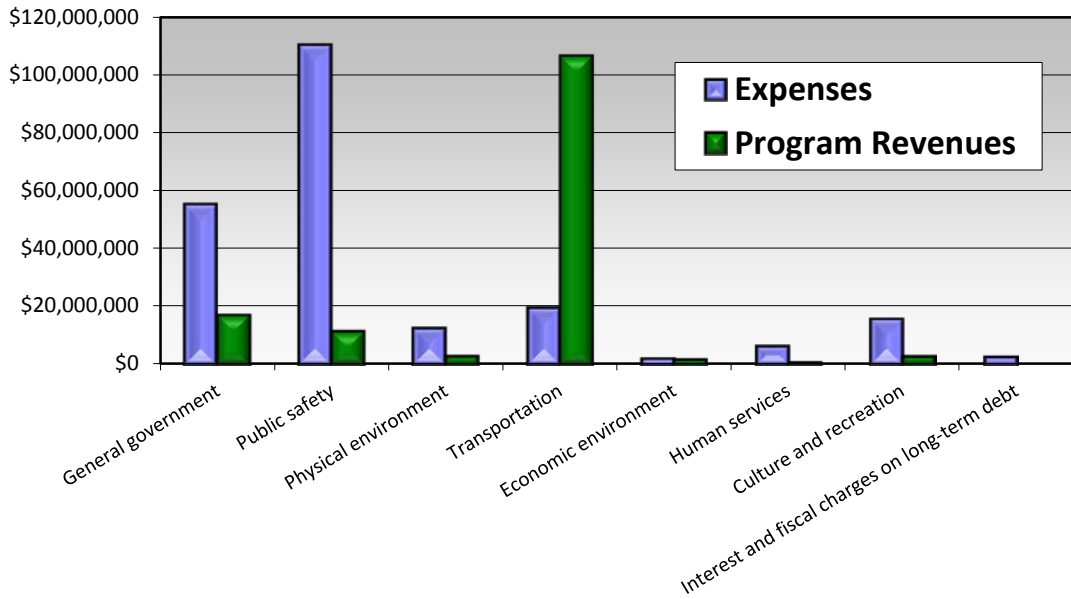
Transportation expenses:

- Increased by \$2.4 million or 14% for work completed on road resurfacing, and bridge repairs and replacements

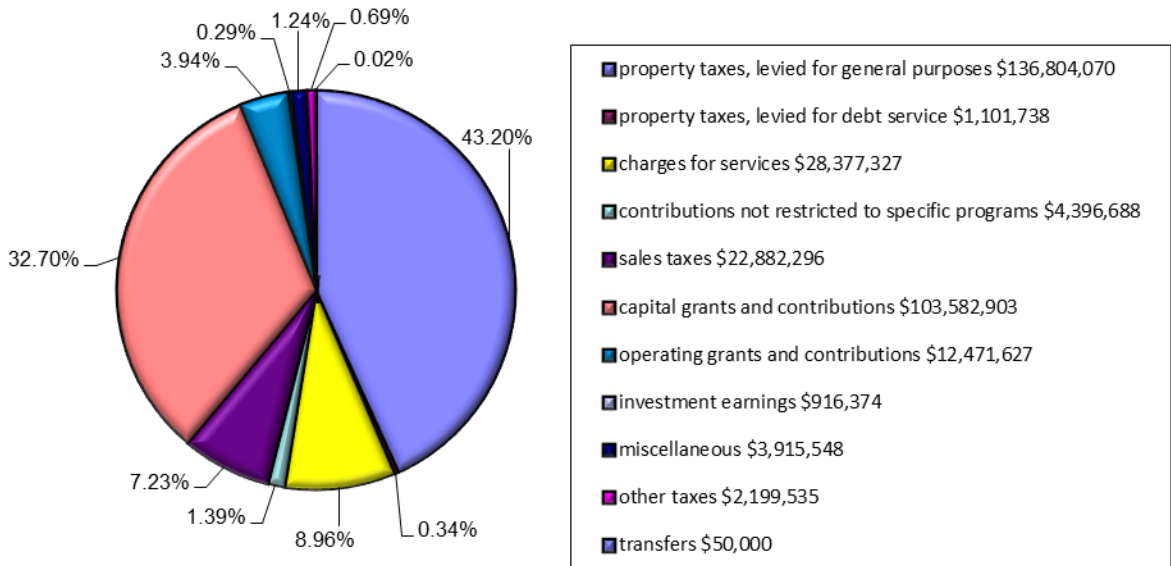
Economic environment expenses:

- Decreased \$1.2 million, or 35%, as a result of a reduction in spending from housing and neighborhood stabilization programs as well as savings from bringing in the tourism development function in house.

## Expenses and Program Revenues Governmental Activities



## Revenues by Source Governmental Activities



## Business-type activities:

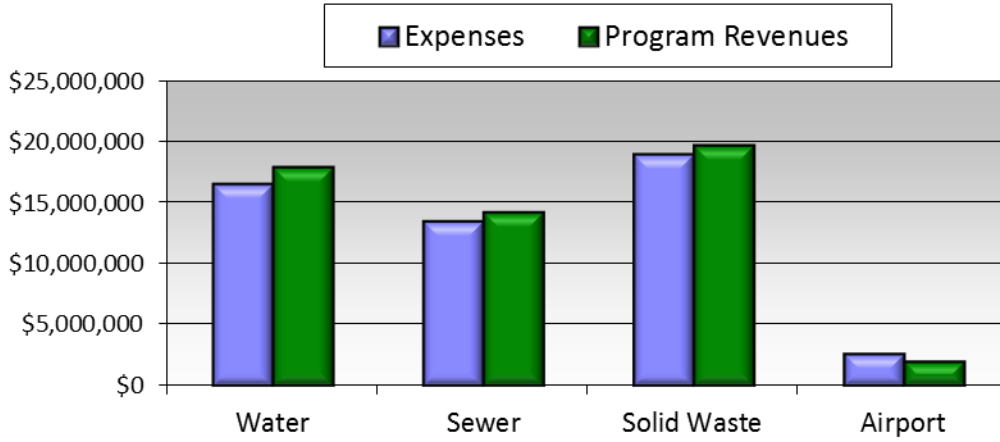
### Water/Sewer Utilities:

- Total net position increased by \$4.3 million in fiscal year 2014. In comparison to fiscal year 2013, the net investment in capital assets increased \$4.4 million.
- Restricted net position increased 1.7% in fiscal year 2014 as compared to 2013 due to the increase in cash balances of investments in the Capital Facility and Replacement and Renewal Fund. Unrestricted net position decreased \$0.4 million, or 1.4%, in the same time period due to a decrease in capital contributions from assessments and principal payments on assessment loans and an increase to restricted position of \$0.3 million.
- Long-term debt in fiscal year 2014 increased \$2.6 million, or 3.0%, due to an additional loan from Solid Waste Department.
- Total operating revenues reflect a 5.7% increase in fiscal year 2014 as compared to 2013. The increase was a result of the addition of new customers and the rate increase of 2.41%.
- Capital contributions decreased 38.7% in fiscal year 2014 as compared to 2013 due to a \$1.4 million decrease in special assessments completed and in capital facility charges collected.
- Operating expenses, excluding depreciation and amortization, increased by \$0.4 million, or 2.4%, over fiscal year 2013 due to increased maintenance expenses and the one-time demolishing cost of three wells.

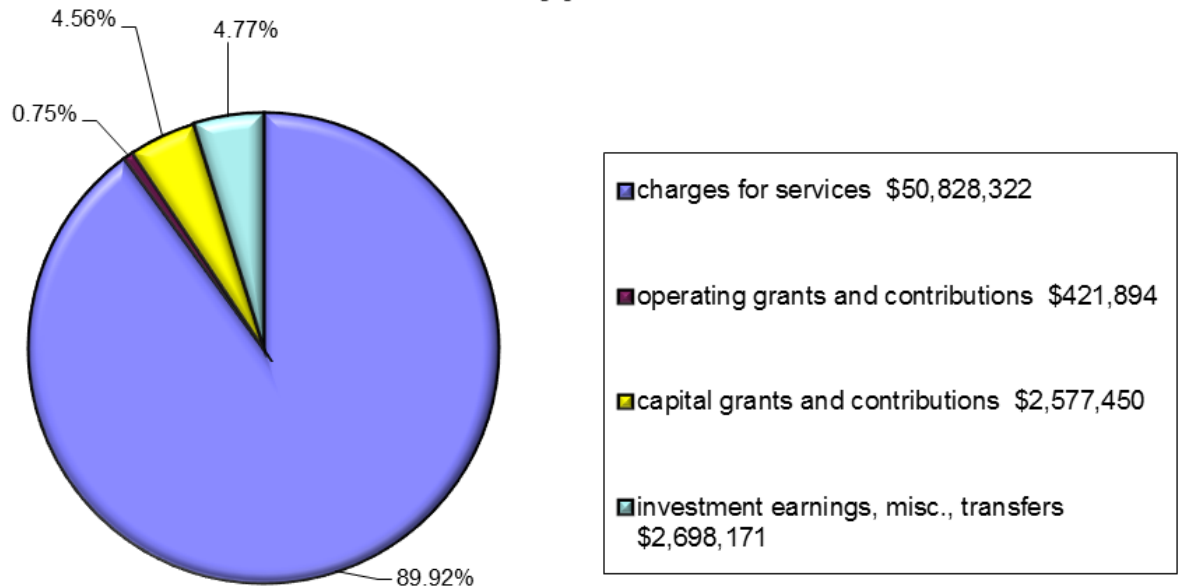
### Solid Waste:

- Total net position increased by \$1.2 million in the fiscal year 2014. Net investment in capital assets for this year reflects a decrease of \$0.24 million as compared to fiscal year 2013 due to capital purchases and CIP of \$0.5 million and depreciation expense of \$0.74 million.
- Unrestricted net position of \$5.7 million increased \$1.46 million due to a net income of \$1.2 million.
- Total operating revenues reflect a 4.3% increase in fiscal year 2014 as compared to fiscal year 2013. This net increase is due to an increase in Class I and Class III material brought to the transfer station as well as a slight increase in curbside recycling along with an increase in special assessment revenue of 3.5% due in part to growth of the number of residences assessed, and an increase in the annual assessment fee for CPI adjustment for the franchise collection rate used in calculating the residential solid waste assessment.
- Operating expenses increased by 4.9% in fiscal year 2014 as compared to 2013 due to the CPI increase for contracts in franchise hauling and disposal costs as well as the 3.3% increase in the number of customers.

## 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 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, 2014, the County's governmental funds reported combined ending fund balances of \$103 million. Of this total, \$6.4 million, or 6.23%, constitutes unassigned fund balance. By definition, this sum is available for spending at the discretion of the County. The remainder of the fund balance is not available for new spending, since it is allocated to: 1) non-spendable reserves for inventory and permanent fund (\$1.5 million); 2) restricted funds for debt service, grants, federal and state programs, court operations, and other restricted purposes (\$34.6 million); 3) funds committed to purposes determined by the Board of County Commissioners (\$39.2 million); and 4) funds assigned to a variety of other predetermined purposes (\$21.3 million).

The General Fund is the primary operating fund of the County. As of September 30, 2014, the total fund balance in this fund was \$29.9 million, while the unassigned fund balance was \$6.6 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 5.4% of total General Fund expenditures, while the total fund balance represents 24.5% of that same amount.

In fiscal year 2014, the fund balance in the County's General Fund decreased \$4.6 million, a change closely corresponding with the total \$4.3 million additional expenditures. Physical environment expenditure increased by \$5.1 million mostly due to \$4.3 million increase in expenditures for St. Lucie inlet dredging, additionally there was an \$824K increase in expenditures for emergency repairs on infrastructure.

The fund balance in the Consolidated Fire MSTU increased a modest \$.38 million. Revenues increased by \$1.7 million and expenditures increased by \$.88 million. The majority of the increased revenues, \$1.5 million, was derived from taxes. The Fire Rescue MSTU's adopted millage rate increased to 2.5793 over the prior year millage of 2.5082. The public safety expenditures increased by \$1.2 million due to 3 additional FTEs, a 3% salary increase for employees and the close out the SAFER grant in fiscal year 2013. Capital outlay expenses were 2.2 million less than the prior year. The majority of current year expenditures were for the addition of two ambulances to the fleet.

**Proprietary funds:** The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in different detail.

Unrestricted net position of the three entities: Utilities, Solid Waste, and Airport, amounted to \$31.9 million, \$5.8 million, and \$1.6 million, respectively.

Other factors concerning the finances of the major proprietary funds are addressed in the discussion of the business-type activities.

## **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. During the year, other than the fund balance forward adjustment, there were no major changes to either the original revenue estimates or the original budget appropriations.

Major variances for final budget to actual were as follows:

- The actual tax revenues were \$1.5 million higher than the final budget due to the fact that Florida Statutes require revenues to be budgeted at 95% of anticipated collections.
- The actual intergovernmental revenues were \$1.3 million higher than the final budget as a result of the increase in collections of local government sales tax and State revenue sharing attributable to improving economy.
- The actual charges for services revenue was \$1 million lower than budgeted, with both public safety and recreational fees collections coming in under budget.
- The actual Public safety expenditures were \$1.8 million less than budgeted. This is primarily attributed to the Sheriff's operations. The Sheriff did not spend \$1.7 million in public safety expenditures but expended those funds as capital outlay for fleet replacement. The funds were used for approved expenditures.
- The capital outlay budget to actual shows a variance of \$2.7 million. Of this, \$2.5 million is related to the fleet replacement for the Sheriff mentioned above. Additionally, the Sheriff had capital lease proceeds of \$0.6 million to help fund the vehicle replacement purchases.

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## Capital Asset and Debt Administration

**Capital assets:** as of September 30, 2014, the County's investment in capital assets for its governmental and business-type activities amounts to \$912.2 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, park facilities, roads, bridges, sidewalks, and intangible assets. The total County investment in capital assets for the current fiscal year increased \$103.2 million, or 12.76%. Governmental activities investment in capital assets increased \$96.6 million, and business-type increased \$6.6.

### Martin County's Capital Assets (in thousands)

	2014	2013	2014	2013	2014	2013
	Governmental activities	Governmental activities	Business-type activities	Business-type activities	Total	Total
Land and land use rights	\$ 205,724	\$ 204,424	\$ 14,471	\$ 14,471	\$ 220,195	\$ 218,895
Land improvements	51,089	45,308	-	-	51,089	45,308
Buildings and systems	177,627	175,957	144,239	142,416	321,866	318,373
Other improvements and intangible assets	8,277	8,555	41,523	41,514	49,800	50,069
Machinery & equipment	85,806	80,207	218,926	214,227	304,732	294,434
Infrastructure	555,891	443,902	-	-	555,891	443,902
Construction in progress	6,001	14,133	12,779	1,125	18,780	15,258
Less: accumulated depreciation	(457,608)	(436,289)	(152,819)	(141,183)	(610,427)	(577,472)
Total	<u>\$ 632,807</u>	<u>\$ 536,197</u>	<u>\$ 279,119</u>	<u>\$ 272,570</u>	<u>\$ 911,926</u>	<u>\$ 808,767</u>

Major capital asset additions in the governmental funds included:

- Veterans Memorial Bridge \$ 98.2 million
- Citrus Grove Community Park \$ 4.3 million
- Cypress Creek Restoration Project \$ 3.7 million
- Dixie Highway Resurfacing \$ 1.4 million
- Golf Course Irrigation Renovation \$ 1.3 million
- Willoughby Boulevard Resurfacing \$ 1.3 million
- US-1/Britt Road Intersection Improvements \$ 1.2 million

Major capital additions to the enterprise funds included:

- Skyline Drive Watermain Extension \$ 1.0 million
- North Jensen Bch Plant Improvements \$ 0.7 million
- Beacon 21 Lift Stations Rehab/Replacements \$ 0.5 million
- Lift Station/Gravity Sewer at Stuart Beach \$ 0.4 million
- Caustic Tank Replacement at Jensen Beach Plant \$ 0.4 million
- Replace Lighting at Tropical Farms/Jensen Bch Plants \$ 0.3 million
- Tropical Farms Sound Wall \$ 0.1 million

Additional information on the County's capital assets can be found in Note 7 of the Notes to the Financial Statements.

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

	2014	2013	2014	2013	2014	2013
	Governmental activities	Governmental activities	Business-type activities	Business-type activities	Total	Total
Compensated absences	14,463	14,002	703	705	15,166	14,707
Obligations under capital leases	9,518	10,411	-	-	9,518	10,411
General obligation bonds	1,160	1,705	-	-	1,160	1,705
Revenue bonds	47,934	55,125	80,535	84,449	128,469	139,574
Landfill closure cost	-	-	12,148	12,551	12,148	12,551
Other long-term debt	3,571	4,190	8,392	1,856	11,963	6,046
Total	<u>\$ 76,646</u>	<u>\$ 85,433</u>	<u>\$ 101,778</u>	<u>\$ 99,561</u>	<u>\$ 178,424</u>	<u>\$ 184,994</u>

**Long-term obligations:** At the end of the current fiscal year, the County had total outstanding bonded debt in the amount of \$129.6 million. Of this amount, \$1.2 million is a debt backed by the full faith and credit of the government (general obligation bonds) and \$128.5 million represents bonds secured solely by specified revenue sources (revenue bonds).

During the fiscal year, the County's overall total long-term obligations decreased by \$6.6 million, or 3.5%, due to scheduled pay down of borrowings.

The County's bond ratings as of September 30, 2014, were as follows:

	Fitch	Moody's	S&P
General Obligation Refunding Bonds, Series 2004	-	Aa2	-
Gas Tax Revenue Bonds, Series 2006	AA-	A1	-
Water and Sewer Bonds	AA	-	AA-

Additional detailed information about the County's long-term debt is presented in Note 8 and Note 9 of the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

Following eight years of persistent stagnation in the local economy, fiscal year 2015 is the second year with a noteworthy increase in taxable values and consequently in ad valorem taxes. As of July 1, 2014, the County's taxable values totaled \$17.7 billion, a 2.9% increase as compared to \$17.2 billion in the year before. The upward trend in the tax base contributes approximately \$4.1 million in additional ad valorem revenue in the new budget year. The County millage has increased 1.9% from 9.0080 in fiscal year 2014 to 9.1818 in 2015.

The new 2015 County budget has decreased \$9.3 million, or 2.6%, from \$361.1 million in fiscal year 2014 to \$351.8 million in 2015. This follows a fiscal year 2014 increase of 7.1% in comparison to the prior year. The change in budget's bottom line resulted from a combination of factors originating from unrelated categories of expenditures. Major decreases included: lower debt service line items due to paid-off debt (\$1.9 million), and a completion of a bio-solid plant (\$12.6 million) in the previous fiscal year. The budget includes a number of relatively small increases necessary to boost personnel and operating line items in several departments. This has been a planned effort to use the recovering economy and a slight increase in revenues to improve the level and quality of County services, which were subject to substantial cutbacks in the last decade. Revenues other than ad valorem remained a relatively flat and had no major impact on the budget process.

The starting point for the fiscal year 2015 budget was a set of priorities identified by the Board of County Commissioners' (the Board) as strategic goals and objectives:

Strategic Goal	Objective(s)
Martin County shall continue efforts to support economic diversification of its local economy.	<ul style="list-style-type: none"> <li>• Create an economic development vision for Martin County that includes tourism by engaging the community, the County Commission, the City of Stuart, and all stakeholders in the region.</li> </ul>
Martin County shall strongly advocate for Everglades restoration while ensuring local action prioritize the protection of estuaries.	<ul style="list-style-type: none"> <li>• Prioritize protection of estuaries when deciding to discharge from Lake Okeechobee.</li> <li>• Advocate for Everglades Restoration.</li> </ul>
Martin County shall maintain its infrastructure in an efficient, cost effective manner to ensure public facilities serve County residents' needs.	<ul style="list-style-type: none"> <li>• Identify a dedicated funding source for dredging the St. Lucie Inlet.</li> <li>• Update Management Plan for the St. Lucie Inlet.</li> <li>• Develop a long range facility needs plan and space needs study.</li> </ul>
Martin County shall continue to refine its internal policies and procedures to ensure that it achieves the highest level of efficiency and accountability for its use of taxpayer monies.	<ul style="list-style-type: none"> <li>• Develop summary/overview of County's real estate holdings and the policies that relate to them.</li> </ul>

The County's budget was prepared within the strategic framework outlined by the Board:

- Funding the Sheriff and other Constitutional Officers' budgets,
- Maintaining existing levels of service for residents,
- Providing additional funding for capital improvements,
- Consideration of the Board's Strategic Goals,
- Providing a sound self-insured fund for health insurance, and
- Maintaining reserves.

Changes in the adopted budgets for the constitutional officers and State Judicial agencies as compared to the previous fiscal year were as follows:

	FISCAL YEAR 2014	FISCAL YEAR 2015	CHANGE	
Clerk of the Circuit Court	1,276,006	1,306,814	30,808	2.41%
Property Appraiser	3,294,238	3,400,516	106,278	3.23%
Sheriff	57,123,054	59,233,813	2,110,759	3.70%
Supervisor of Elections	1,145,045	1,187,641	42,596	3.72%
Tax Collector	4,796,760	4,890,812	94,052	1.96%
State Judiciary Agencies	1,325,252	1,639,009	313,757	23.68%

Departmental budgets have been prepared with a range of minor increases such as rising retirement contribution rates and health insurance premiums. The new budget includes a 5% increase in policy premiums to provide adequate funding for the health self-insurance program. Some of the departments received additional resources and personnel to address the deferred maintenance backlog as required by the strategic objective, as well as for maintenance of new facilities that have been completed in the past few years. The most significant increases were budgeted in contracted services: \$1.3 million for St. Lucie Inlet dredging, \$1.03 million for a waste management, and \$0.97 million for transfer station, sludge removal and other utilities-related activities.

A significant change in the new budget has been the addition of the Office of Tourism and Marketing. In past years, services related to tourism and marketing for Martin County were contracted out. The new unit includes two positions that are funded by the tourist tax collections. Shifting this activity to the purview of the Board will provide greater oversight and streamlining of the operations. Another noteworthy change in the fiscal year 2015 is the Board's decision to increase the tourist tax from 4% to 5% starting on July 1, 2015 and to restructure the funds uses within this revenue stream. The Board's objective was to provide more equitable funding allocations for tourism promotions, sports promotions, capital projects, as well as for beach renourishment and inlet dredging.

Additionally, in 2015, the County government assumed control of the golf course after terminating a 40-year operating lease with the Martin County Golf Board, which is now replaced by a citizen's advisory committee. Near-term plans for the golf course include capital and technology improvements, fee restructuring, and enhanced marketing of the golf facilities.

For the County's business-type activities these are the most significant factors affecting next year's budgets:

The Enterprise Funds are those funds that collect fees and provide a direct service to the customer. Utilities, Solid Waste, and the Airport are the departments fully funded by fees and charge for those services being provided. In total, the Enterprise Funds represent 25% of the total budget. There was a very significant reduction in the total of \$13.5 million due to a significant amount of funding being allocated in FY14 for the Bio-Solids Plant.

The Utilities Department's service area continues to reflect primarily residential and light businesses. Growth in the number of water connections over the last five years has averaged 2.32%. Customer growth increased slightly due to the addition of new customers, the completion of special assessments, the acquisition of private utilities, and new construction. New development is minimal and reflects the current economic environment. Another factor affecting the Utilities Department is the water restrictions implemented by the South Florida Water Management District that were made permanent in November 2009 and limit irrigation to three days a week. The growth in the number of accounts served has occurred primarily due to the in-fill of existing developments, special assessment projects for extension of water and wastewater lines, as well as new construction.

During fiscal year 2009, a financial feasibility and rate study was conducted to determine future revenue requirements. As a result of that study, the Board of County Commissioners approved rate indexing for the next five fiscal years, not to exceed 2.5% annually beginning on or after October 1, 2010. For fiscal year 2014, rates were increased 2.41% and increased on October 1, 2014, by 1.63%.

The Solid Waste Department's service area, which includes all of Martin County, continues to reflect primarily residential and light businesses. Growth in the number of residential solid waste assessments increased 3.3% for fiscal year 2014. The Solid Waste Department is not anticipating any tipping fee increase for fiscal year 2015.

Airport's fiscal year 2015 budget remained relatively unchanged. Revenue streams from fuel sales and rent were stable. The adopted budget originally included a future construction of grant-funded Customs Facility; however, this project has been subsequently canceled by the Board. There is still a possibility that the Airport Enterprise will have to take over the labor portion of the Air Traffic Control Tower agreement due to sequestration and the lack of funding by the Federal Aviation Administration.

### **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, 2401 SE Monterey Road, Stuart, FL 34996.



**Martin County, Florida**  
**Statement of Net Position**  
**September 30, 2014**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 21,971,645	\$ 1,001,400	\$ 22,973,045
Restricted cash and cash equivalents	393,500	605,687	999,187
Investments	87,630,507	36,674,178	124,304,685
Restricted investments	-	3,566,234	3,566,234
Accounts and assessments receivable	1,722,191	4,407,797	6,129,988
Receivable from other governmental agencies	7,598,141	322,890	7,921,031
Inventories	1,683,239	873,378	2,556,617
Assets held for resale or donation	354,885	1,037,072	1,391,957
Other current assets	1,435,200	307	1,435,507
<b>Total current assets</b>	<b>122,789,308</b>	<b>48,488,943</b>	<b>171,278,251</b>
Noncurrent assets:			
Restricted cash and cash equivalents	-	1,438	1,438
Restricted investments	-	11,592,772	11,592,772
Restricted special assessment notes receivable	-	2,063,596	2,063,596
<b>Total restricted assets</b>	<b>-</b>	<b>13,657,806</b>	<b>13,657,806</b>
Special assessment notes receivable, less current portion	-	6,679,657	6,679,657
Capital assets:			
Land and land use rights - permanent	205,723,612	14,471,451	220,195,063
Land improvements	51,088,665	-	51,088,665
Buildings and improvements	177,627,499	144,239,148	321,866,647
Infrastructure	555,890,955	-	555,890,955
Equipment	85,806,301	218,925,481	304,731,782
Construction in progress	6,001,294	12,778,663	18,779,957
Improvements other and intangible plant assets	-	41,523,406	41,523,406
Intangible - land use rights (temporary)	3,629,441	-	3,629,441
Intangible - software	4,647,153	-	4,647,153
Less accumulated depreciation	(457,607,703)	(152,819,441)	(610,427,144)
Capital assets, net	632,807,217	279,118,708	911,925,925
<b>Total noncurrent assets</b>	<b>632,807,217</b>	<b>299,456,171</b>	<b>932,263,388</b>
<b>Total assets</b>	<b>\$ 755,596,525</b>	<b>\$ 347,945,114</b>	<b>\$ 1,103,541,639</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Loss on refunding debt	-	3,434,510	3,434,510
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>3,434,510</b>	<b>3,434,510</b>

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

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>LIABILITIES</b>			
Current liabilities:			
Payable from current assets:			
Accounts payable	\$ 9,105,362	\$ 4,343,195	\$ 13,448,557
Accrued wages payable	1,833,287	225,623	2,058,910
Contracts payable	193,235	-	193,235
Due to other governmental agencies	988,583	-	988,583
Accrued interest payable	317,193	24,305	341,498
Unearned revenue	116,582	114,797	231,379
Deposits and other liabilities	6,292	-	6,292
Current portion of long term obligations	14,241,870	2,507,727	16,749,597
	<u>26,802,404</u>	<u>7,215,647</u>	<u>34,018,051</u>
Payable from restricted assets:			
Landfill closure costs, current	-	547,600	547,600
Deposits and other liabilities	-	1,120,960	1,120,960
Contracts payable	-	752,089	752,089
Current portion of long term obligations	-	1,645,000	1,645,000
	<u>-</u>	<u>4,065,649</u>	<u>4,065,649</u>
<b>Total current liabilities</b>	<u>26,802,404</u>	<u>11,281,296</u>	<u>38,083,700</u>
Noncurrent liabilities:			
Noncurrent portion of long term obligations	62,404,773	90,547,530	152,952,303
Other postemployment benefits	63,210,586	-	63,210,586
<b>Total noncurrent liabilities</b>	<u>125,615,359</u>	<u>90,547,530</u>	<u>216,162,889</u>
<b>Total liabilities</b>	<u>152,417,763</u>	<u>101,828,826</u>	<u>254,246,589</u>
<b>NET POSITION</b>			
Net investment in capital assets	573,142,960	192,874,195	766,017,155
Restricted:			
Permanent fund - nonexpendable	22,302	-	22,302
Recreation projects	1,744,144	-	1,744,144
Public Safety	3,703,301	-	3,703,301
Housing grants and other	1,937,170	-	1,937,170
Debt service	4,815,032	176,760	4,991,792
Capital projects - transportation projects	9,400,017	-	9,400,017
Capital projects - recreation projects	7,967,370	-	7,967,370
Capital projects - water/sewer projects	-	15,898,116	15,898,116
Airport noise mitigation program	-	1,037,072	1,037,072
Clerk of Courts - court operations	864,843	-	864,843
Other restricted purpose	18,381	53,661	72,042
Unrestricted	(436,758)	39,510,994	39,074,236
<b>Total net position</b>	<u>\$ 603,178,762</u>	<u>\$ 249,550,798</u>	<u>\$ 852,729,560</u>

**Martin County, Florida**  
**Statement of Activities**  
**For the Year Ended September 30, 2014**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	55,399,076	\$ 15,873,094	\$ 1,167,853	\$ 234,866
Public safety	110,538,801	8,605,980	2,209,178	840,674
Physical environment	12,681,511	-	2,256,536	1,010,835
Transportation	19,847,299	1,703,188	4,007,514	3,770,743
Economic environment	2,241,285	18	1,898,659	8,201
Human services	6,480,653	240,564	596,690	-
Culture and recreation	15,905,736	2,354,350	543,800	24,557
Interest and fiscal charges on long-term debt	2,714,578	-	-	-
Total governmental activities	<u>225,808,939</u>	<u>28,777,194</u>	<u>12,680,230</u>	<u>5,889,876</u>
<b>Business-type activities:</b>				
Water	16,536,794	16,389,530	-	1,576,946
Sewer	13,530,843	13,409,616	-	776,705
Solid waste	18,953,186	19,521,540	160,095	-
Airport	2,639,790	1,507,636	261,799	223,799
Total business-type activities	<u>51,660,613</u>	<u>50,828,322</u>	<u>421,894</u>	<u>2,577,450</u>
<b>Total</b>	<u><u>277,469,552</u></u>	<u><u>\$ 79,605,516</u></u>	<u><u>\$ 13,102,124</u></u>	<u><u>\$ 8,467,326</u></u>

General revenues:

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Sales tax - other

Communications taxes & other taxes

Contributions not restricted to specific programs

Investment earnings

Miscellaneous

Transfers

Special item - Capital Contribution - Veteran's Memorial Bridge

Total general revenues, transfers and special item

Changes in net position

Net position - beginning - as restated

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
\$ (38,123,263)	\$ -	\$ (38,123,263)
(98,882,969)	-	(98,882,969)
(9,414,140)	-	(9,414,140)
(10,365,854)	-	(10,365,854)
(334,407)	-	(334,407)
(5,643,399)	-	(5,643,399)
(12,983,029)	-	(12,983,029)
(2,714,578)	-	(2,714,578)
<u>(178,461,639)</u>	<u>-</u>	<u>(178,461,639)</u>
-	1,429,682	1,429,682
-	655,478	655,478
-	728,449	728,449
-	(646,556)	(646,556)
-	2,167,053	2,167,053
<u>(178,461,639)</u>	<u>2,167,053</u>	<u>(176,294,586)</u>
136,804,070	-	136,804,070
1,101,738	-	1,101,738
22,882,296	-	22,882,296
2,199,535	-	2,199,535
4,396,688	-	4,396,688
916,374	906,800	1,823,174
3,915,548	1,791,371	5,706,919
50,000	(50,000)	-
97,693,027	-	97,693,027
<u>269,959,276</u>	<u>2,648,171</u>	<u>272,607,447</u>
91,497,637	4,815,224	96,312,861
511,681,125	244,735,574	756,416,699
<u>\$ 603,178,762</u>	<u>\$ 249,550,798</u>	<u>\$ 852,729,560</u>

**Martin County, Florida  
Balance Sheet  
Governmental Funds  
September 30, 2014**

	<u>General</u>	<u>Consolidated Fire/EMS MSTU</u>	<u>CRA Trust</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 10,224,887	\$ 2,076,404	\$ 292,752	\$ 7,566,203	\$ 20,160,246
Investments	18,836,111	2,607,326	4,930,393	56,505,070	82,878,900
Accounts receivable	277,313	88,179	-	154,043	519,535
Assessments receivable	-	-	-	470,060	470,060
Due from other funds	2,232,749	-	-	12,311	2,245,060
Due from other governmental agencies	2,358,056	211,527	-	5,026,233	7,595,816
Inventories	454,920	358,835	-	695,828	1,509,583
Assets held for resale or donation	-	-	74,394	280,491	354,885
Other current assets	53,150	950	-	84,523	138,623
<b>Total assets</b>	<u>\$ 34,437,186</u>	<u>\$ 5,343,221</u>	<u>\$ 5,297,539</u>	<u>\$ 70,794,762</u>	<u>\$ 115,872,708</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 2,226,682	\$ 141,414	236,960	\$ 3,688,567	\$ 6,293,623
Accrued wages payable	686,434	816,576	10,248	309,771	1,823,029
Contracts payable - retainage	-	-	-	193,235	193,235
Due to other funds	483,669	-	-	2,232,961	2,716,630
Due to other governmental agencies	987,921	-	-	662	988,583
Unearned revenue	98,381	-	-	18,201	116,582
Deposits and other liabilities	6,292	-	-	-	6,292
<b>Total liabilities</b>	<u>4,489,379</u>	<u>957,990</u>	<u>247,208</u>	<u>6,443,397</u>	<u>12,137,974</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	-	-	678,663	678,663
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>678,663</u>	<u>678,663</u>
<b>FUND BALANCES</b>					
<b>Nonspendable:</b>					
Inventories	454,920	358,835	-	695,828	1,509,583
Permanent fund principal	-	-	-	22,302	22,302
<b>Restricted for:</b>					
Bond covenants or debt service	-	-	-	4,815,032	4,815,032
Recreation projects	-	-	-	1,744,144	1,744,144
Public Safety	-	-	-	3,703,301	3,703,301
Housing grants and other	-	-	-	1,937,170	1,937,170
Court operations	-	-	-	1,167,261	1,167,261
Capital projects	-	-	-	17,796,272	17,796,272
Other restricted purposes	-	-	-	3,401,906	3,401,906
<b>Committed to:</b>					
Capital projects	100,000	-	-	-	100,000
Ordinance/MSTU/Other	10,135,000	4,026,396	-	19,205,067	33,366,463
Ordinance/Judicial	-	-	-	466,070	466,070
Ordinance/Culture and recreation	-	-	-	224,462	224,462
Ordinance/CRA	-	-	5,050,331	-	5,050,331
<b>Assigned to:</b>					
Capital projects	-	-	-	2,033,680	2,033,680
OPEB	4,599,725	-	-	-	4,599,725
Hurricane reserves	2,440,591	-	-	-	2,440,591
Employee benefits	3,264,166	-	-	-	3,264,166
Other assigned purposes	2,364,866	-	-	6,629,412	8,994,278
<b>Unassigned:</b>	6,588,539	-	-	(169,205)	6,419,334
<b>Total fund balances</b>	<u>29,947,807</u>	<u>4,385,231</u>	<u>5,050,331</u>	<u>63,672,702</u>	<u>103,056,071</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 34,437,186</u>	<u>\$ 5,343,221</u>	<u>\$ 5,297,539</u>	<u>\$ 70,794,762</u>	<u>\$ 115,872,708</u>

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

**Martin County, Florida  
Reconciliation of the Balance Sheet  
To the Statement of Net Position  
Governmental Funds  
September 30, 2014**

Fund Balances - total governmental funds \$ 103,056,071

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land and land use rights - permanent	205,723,612
Land improvements, net of \$22,467,501 accumulated depreciation	28,621,164
Building and improvements, net of \$63,120,335 accumulated depreciation	114,507,164
Infrastructure, net of \$310,824,421 accumulated depreciation	245,066,534
Equipment, net of \$56,716,643 accumulated depreciation	27,890,981
Construction in progress	6,001,294
Land use rights - temporary, net of \$2,164,366 accumulated depreciation	1,465,075
Software, net of \$2,314,437 accumulated depreciation	2,332,716
	<hr/>
	631,608,540

Certain grant revenues and other miscellaneous revenues which do not provide current financial resources are reported as unavailable in the governmental funds. 678,663

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, 2014 are:

Compensated absences	(14,406,009)
Capital leases	(9,518,295)
Accrued interest on bonds	(317,193)
General obligation bonds	(1,160,000)
Revenue bonds/Notes	(47,933,888)
State revolving loan	(2,800,247)
Note Payable	(765,278)
Unamortized bond premium	(6,006)
Other postemployment benefits	(63,210,586)
Total long term obligations	<hr/>
	(140,117,502)

Internal service funds are used by management to charge the costs of certain activities to individual funds. Certain assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position. 7,952,990

Net position of governmental activities \$ 603,178,762

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, 2014**

	General	Consolidated Fire/EMS MSTU	CRA Trust	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	86,837,336	\$ 32,818,849	\$ -	29,774,825	\$ 149,431,010
Permits, fees and special assessments	819,108	-	-	6,063,937	6,883,045
Intergovernmental revenues	17,586,225	133,451	1,573,026	14,007,206	33,299,908
Charges for services	9,558,866	5,211,679	18	4,423,532	19,194,095
Fines and forfeitures	1,499,000	-	-	842,530	2,341,530
Interest income	354,088	99,370	63,668	399,137	916,263
Miscellaneous revenues	1,908,952	58,975	76	1,946,588	3,914,591
Total revenues	<u>118,563,575</u>	<u>38,322,324</u>	<u>1,636,788</u>	<u>57,457,755</u>	<u>215,980,442</u>
<b>EXPENDITURES</b>					
Current:					
General government	40,557,862	1,559,538	-	6,783,286	48,900,686
Public safety	57,501,597	34,927,689	-	7,836,023	100,265,309
Physical environment	6,016,797	-	992	5,134,995	11,152,784
Transportation	416,261	-	-	10,470,900	10,887,161
Economic environment	353,098	-	630,402	1,220,724	2,204,224
Human services	1,981,310	-	-	4,345,506	6,326,816
Culture and recreation	9,255,498	-	-	1,716,677	10,972,175
Capital outlay	4,127,933	513,694	643,018	14,826,008	20,110,653
Debt service:					
Principal	1,500,490	419,549	-	7,967,937	9,887,976
Interest	316,921	83,373	-	2,186,201	2,586,495
Other debt service cost	1,500	-	-	15,139	16,639
Total expenditures	<u>122,029,267</u>	<u>37,503,843</u>	<u>1,274,412</u>	<u>62,503,396</u>	<u>223,310,918</u>
Excess (deficiency) of revenues over (under) expenditures	(3,465,692)	818,481	362,376	(5,045,641)	(7,330,476)
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital lease proceeds	644,885	-	-	-	644,885
Transfers in	1,150,471	-	-	8,886,699	10,037,170
Transfers out	(2,894,974)	(430,449)	-	(6,661,747)	(9,987,170)
Total other financing sources (uses)	<u>(1,099,618)</u>	<u>(430,449)</u>	<u>-</u>	<u>2,224,952</u>	<u>694,885</u>
Net change in fund balances	(4,565,310)	388,032	362,376	(2,820,689)	(6,635,591)
Fund balances - beginning	34,513,117	3,997,199	4,687,955	66,493,391	109,691,662
Fund balances - ending	<u>29,947,807</u>	<u>\$ 4,385,231</u>	<u>\$ 5,050,331</u>	<u>63,672,702</u>	<u>\$ 103,056,071</u>

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

**Martin County, Florida**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**Governmental Funds**  
**For the Year Ended September 30, 2014**

Net change in fund balances - total governmental funds	\$ (6,635,591)
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	20,110,653
Less current year depreciation	(22,833,442)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Payment of bond principal and capital leases are expenditures in the governmental funds, but the payments reduce long-term liabilities in the Statement of Net Position.	
Capital lease and loan proceeds	(644,885)
Principal payments for bonds, loans and notes	8,350,577
Deferred amount on refunding	(56,048)
Principal payments for capital leases	1,537,399
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 arbitrage liability are not recognized under the modified accrual basis of accounting until they are due, rather than as they accrue.	
Compensated Absences	(467,920)
Accrued interest on long term debt (net of prior year accrual)	(55,396)
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 or retired assets \$2,977,915 less accumulated depreciation of \$1,782,070	(1,195,845)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. The number below for Board of Commissioners includes the Veteran's Memorial Bridge.	
Donated property ~ Sheriff	840,674
Donated property ~ Board of Commissioners	99,867,265
Some revenues reported in the Statement of Activities are not reported in the governmental funds because they have no effect on current financial resources.	547,703
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.	670,900
The increase in the other postemployment benefits 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.	(8,538,407)
Change in net position of governmental activities	<u>\$ 91,497,637</u>

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

**Martin County, Florida**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 85,322,074	\$ 85,322,074	\$ 86,837,336	\$ 1,515,262
Permits, fees and special assessments	800,000	800,000	819,108	19,108
Intergovernmental revenues	13,368,332	16,291,459	17,586,225	1,294,766
Charges for services	10,652,833	10,611,878	9,558,866	(1,053,012)
Fines and forfeitures	1,285,350	1,285,350	1,499,000	213,650
Interest income	337,389	337,389	354,088	16,699
Miscellaneous revenues	4,436,675	4,732,427	1,908,952	(2,823,475)
Statutory budget reduction	(500,000)	(500,000)	-	500,000
Total revenues	<u>115,702,653</u>	<u>118,880,577</u>	<u>118,563,575</u>	<u>(317,002)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	36,734,303	41,738,191	40,557,862	1,180,329
Public safety	59,290,442	59,360,873	57,501,597	1,859,276
Physical environment	1,051,621	6,987,026	6,016,797	970,229
Transportation	513,268	1,194,449	416,261	778,188
Economic environment	354,659	367,173	353,098	14,075
Human services	1,926,250	2,140,266	1,981,310	158,956
Culture and recreation	9,454,503	9,958,460	9,255,498	702,962
Capital outlay	1,206,602	1,403,703	4,127,933	(2,724,230)
Debt service:				
Principal	1,090,027	1,398,286	1,500,490	(102,204)
Interest	343,998	303,228	316,921	(13,693)
Other debt service cost	-	-	1,500	(1,500)
Total expenditures	<u>111,965,673</u>	<u>124,851,655</u>	<u>122,029,267</u>	<u>2,822,388</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,736,980</u>	<u>(5,971,078)</u>	<u>(3,465,692)</u>	<u>2,505,386</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Capital lease proceeds	-	-	644,885	644,885
Transfers in	1,081,915	1,716,011	1,150,471	(565,540)
Transfers out	(6,789,865)	(6,861,235)	(2,894,974)	3,966,261
Reserves	(12,663,949)	(18,673,356)	-	18,673,356
Total other financing sources (uses)	<u>(18,371,899)</u>	<u>(23,818,580)</u>	<u>(1,099,618)</u>	<u>22,718,962</u>
Net change in fund balances	<u>\$ (14,634,919)</u>	<u>\$ (29,789,658)</u>	<u>(4,565,310)</u>	<u>\$ 25,224,348</u>
Fund balances - beginning	<u>14,634,919</u>	<u>29,789,658</u>	<u>34,513,117</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,947,807</u>	

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

**Martin County, Florida**  
**Consolidated Fire/EMS MSTU**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget-</u>
				<u>Positive (Negative)</u>
<b>REVENUES:</b>				
Taxes	\$ 32,181,477	\$ 32,181,477	\$ 32,818,849	\$ 637,372
Intergovernmental revenues	120,000	120,000	133,451	13,451
Charges for services	5,275,373	5,280,248	5,211,679	(68,569)
Interest income	110,000	110,000	99,370	(10,630)
Miscellaneous revenues	40,000	40,000	58,975	18,975
Statutory budget reduction	(50,000)	(50,000)	-	50,000
Total revenues	<u>37,676,850</u>	<u>37,681,725</u>	<u>38,322,324</u>	<u>640,599</u>
<b>EXPENDITURES:</b>				
Current:				
General government	1,372,827	1,525,925	1,559,538	(33,613)
Public safety	34,731,861	35,797,773	34,927,689	870,084
Capital outlay	967,054	1,209,140	513,694	695,446
Debt service:				
Principal	420,079	420,079	419,549	530
Interest	83,374	83,374	83,373	1
Other debt service cost	10,000	10,000	-	10,000
Total expenditures	<u>37,585,195</u>	<u>39,046,291</u>	<u>37,503,843</u>	<u>1,542,448</u>
Excess (deficiency) of revenues over (under) expenditures	<u>91,655</u>	<u>(1,364,566)</u>	<u>818,481</u>	<u>2,183,047</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	(829,501)	(829,501)	(430,449)	399,052
Reserves	(1,215,834)	(1,550,028)	-	1,550,028
Total other financing uses	<u>(2,045,335)</u>	<u>(2,379,529)</u>	<u>(430,449)</u>	<u>1,949,080</u>
Net change in fund balances	(1,953,680)	(3,744,095)	388,032	<u>\$ 4,132,127</u>
Fund balances - beginning	1,953,680	3,744,095	3,997,199	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,385,231</u>	

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

**Martin County, Florida**

**CRA Trust**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
For the Year Ended September 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 1,507,609	\$ 1,573,026	\$ 1,573,026	\$ -
Charges for services	-	-	18	18
Interest income	24,400	24,400	63,668	39,268
Miscellaneous revenues	-	-	76	76
Total revenues	<u>1,532,009</u>	<u>1,597,426</u>	<u>1,636,788</u>	<u>39,362</u>
<b>EXPENDITURES:</b>				
Current:				
General government	994	994	-	994
Physical environment	-	-	992	(992)
Economic environment	660,687	970,898	630,402	340,496
Capital outlay	1,219,762	5,156,308	643,018	4,513,290
Total expenditures	<u>1,881,443</u>	<u>6,128,200</u>	<u>1,274,412</u>	<u>4,853,788</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(349,434)</u>	<u>(4,530,774)</u>	<u>362,376</u>	<u>4,893,150</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Reserves	(133,494)	(120,994)	-	120,994
Total other financing sources (uses)	<u>(133,494)</u>	<u>(120,994)</u>	<u>-</u>	<u>120,994</u>
Net change in fund balances	(482,928)	(4,651,768)	362,376	<u>\$ 5,014,144</u>
Fund balances - beginning	<u>482,928</u>	<u>4,651,768</u>	<u>4,687,955</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,050,331</u>	

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





**Martin County, Florida**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2014**

	<b>Business Type Activities</b>				<b>Governmental</b>
	<b>Enterprise Funds</b>				
	<b>Water / Sewer</b>	<b>Solid</b>	<b>Non-major</b>	<b>Totals</b>	<b>Internal</b>
	<b>Utilities</b>	<b>Waste</b>	<b>Airport</b>		<b>Service</b>
					<b>Funds</b>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 218,821	\$ 231,873	\$ 341,381	\$ 792,075	\$ 2,020,724
Restricted cash and cash equivalents	605,687	-	-	605,687	393,500
Investments	22,646,528	12,821,742	1,205,908	36,674,178	4,751,607
Restricted investments	3,018,634	547,600	-	3,566,234	-
Accounts receivable	2,872,017	493,322	21,279	3,386,618	732,596
Advance receivable from utilities	-	571,767	-	571,767	-
Special assessments notes receivable, current	1,021,179	-	-	1,021,179	-
Due from other funds	-	-	-	-	471,570
Receivable from other governmental agencies	-	-	322,890	322,890	2,325
Inventories	873,378	-	-	873,378	173,656
Assets held for resale	-	-	1,037,072	1,037,072	-
Other current assets	-	-	307	307	1,296,577
<b>Total current assets</b>	<b>31,256,244</b>	<b>14,666,304</b>	<b>2,928,837</b>	<b>48,851,385</b>	<b>9,842,555</b>
Noncurrent assets:					
Advance receivable from utilities	-	5,958,820	-	5,958,820	-
Restricted assets:					
Restricted cash and cash equivalents	-	1,438	-	1,438	-
Restricted investments	11,561,600	31,172	-	11,592,772	-
Restricted special assessment notes receivable	2,063,596	-	-	2,063,596	-
<b>Total restricted assets</b>	<b>13,625,196</b>	<b>5,991,430</b>	<b>-</b>	<b>19,616,626</b>	<b>-</b>
Special assessment notes receivable, less current portion	6,679,657	-	-	6,679,657	-
Capital assets:					
Land	5,759,243	1,836,230	6,875,978	14,471,451	-
Buildings	130,126,818	11,229,737	2,882,593	144,239,148	-
Equipment	5,489,114	4,514,214	446,870	10,450,198	3,535,118
Water distribution system	100,825,539	-	-	100,825,539	-
Sewer collection system	107,649,744	-	-	107,649,744	-
Landfill improvements	-	10,323,732	-	10,323,732	-
Airport improvements	-	-	22,922,723	22,922,723	-
Construction in progress	12,254,531	93,707	430,425	12,778,663	-
Intangible assets	8,261,101	15,850	-	8,276,951	-
Less accumulated depreciation	(128,717,741)	(16,060,959)	(8,040,741)	(152,819,441)	(2,336,441)
<b>Capital assets, net</b>	<b>241,648,349</b>	<b>11,952,511</b>	<b>25,517,848</b>	<b>279,118,708</b>	<b>1,198,677</b>
<b>Total noncurrent assets</b>	<b>261,953,202</b>	<b>17,943,941</b>	<b>25,517,848</b>	<b>305,414,991</b>	<b>1,198,677</b>
<b>Total assets</b>	<b>\$ 293,209,446</b>	<b>\$ 32,610,245</b>	<b>\$ 28,446,685</b>	<b>\$ 354,266,376</b>	<b>\$ 11,041,232</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Loss on refunding debt	3,434,510	-	-	3,434,510	-
<b>Total deferred outflows of resources</b>	<b>3,434,510</b>	<b>-</b>	<b>-</b>	<b>3,434,510</b>	<b>-</b>

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

**Martin County, Florida**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2014**

	<b>Business Type Activities Enterprise Funds</b>				<b>Governmental Activities- Internal Service Funds</b>
	<b>Water / Sewer Utilities</b>	<b>Solid Waste</b>	<b>Non Major - Airport</b>	<b>Totals</b>	
<b>LIABILITIES</b>					
Current liabilities:					
Payable from current assets:					
Accounts payable and accrued claims	\$ 1,667,667	\$ 2,468,396	\$ 207,132	\$ 4,343,195	\$ 2,811,739
Accrued wages payable	180,602	36,528	8,493	225,623	10,258
Accrued interest payable	24,305	-	-	24,305	-
Accrued compensated absences, current	94,158	19,202	3,088	116,448	-
Current portion of loans and notes payable	2,391,279	-	-	2,391,279	-
Current portion of advance from solid waste	571,767	-	-	571,767	-
Unearned revenue	-	114,797	-	114,797	-
	<u>4,929,778</u>	<u>2,638,923</u>	<u>218,713</u>	<u>7,787,414</u>	<u>2,821,997</u>
Payable from restricted assets:					
Landfill closure costs, current	-	547,600	-	547,600	-
Deposits	1,120,960	-	-	1,120,960	-
Contracts payable	752,089	-	-	752,089	-
Bonds payable, net	1,645,000	-	-	1,645,000	-
	<u>3,518,049</u>	<u>547,600</u>	<u>-</u>	<u>4,065,649</u>	<u>-</u>
<b>Total current liabilities</b>	<u>8,447,827</u>	<u>3,186,523</u>	<u>218,713</u>	<u>11,853,063</u>	<u>2,821,997</u>
Noncurrent liabilities:					
Accrued compensated absences	465,877	93,035	27,787	586,699	56,920
Loans and notes payable	45,846,965	-	-	45,846,965	-
Advance from solid waste	5,958,820	-	-	5,958,820	-
Bonds payable, net	32,513,103	-	-	32,513,103	-
Landfill closure costs	-	11,600,763	-	11,600,763	-
	<u>84,784,765</u>	<u>11,693,798</u>	<u>27,787</u>	<u>96,506,350</u>	<u>56,920</u>
<b>Total noncurrent liabilities</b>	<u>84,784,765</u>	<u>11,693,798</u>	<u>27,787</u>	<u>96,506,350</u>	<u>56,920</u>
<b>Total liabilities</b>	<u>93,232,592</u>	<u>14,880,321</u>	<u>246,500</u>	<u>108,359,413</u>	<u>2,878,917</u>
<b>NET POSITION</b>					
Net invested in capital assets	155,403,836	11,952,511	25,517,848	192,874,195	1,198,677
Restricted:					
Capital projects	15,898,116	-	-	15,898,116	-
Debt service	176,760	-	-	176,760	-
Other Purposes	53,661	-	-	53,661	-
Noise abatement projects	-	-	1,037,072	1,037,072	-
Unrestricted	31,878,991	5,777,413	1,645,265	39,301,669	6,963,638
<b>Total net position</b>	<u>\$ 203,411,364</u>	<u>\$ 17,729,924</u>	<u>\$ 28,200,185</u>	<u>249,341,473</u>	<u>\$ 8,162,315</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				209,325	
Net position business-type activities				<u>\$ 249,550,798</u>	

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

**Martin County, Florida**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2014**

	Business Type Activities Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Water / Sewer Utilities	Solid Waste	Non-major Airport		
<b>OPERATING REVENUES</b>					
Charges for services	\$ 29,799,146	\$ 19,521,540	\$ 1,507,636	\$ 50,828,322	\$ 31,404,612
Miscellaneous	1,461,577	274,633	55,161	1,791,371	2,627,352
Total operating revenues	<u>31,260,723</u>	<u>19,796,173</u>	<u>1,562,797</u>	<u>52,619,693</u>	<u>34,031,964</u>
<b>OPERATING EXPENSES</b>					
Salaries and related expenses	6,648,415	1,211,258	325,488	8,185,161	485,841
General and administrative and claims	2,854,798	1,146,138	692,888	4,693,824	32,448,387
Operating and maintenance	7,059,940	15,531,157	387,292	22,978,389	-
Landfill closure and post closure care cost	-	327,982	-	327,982	-
Depreciation and amortization	10,064,805	743,730	1,279,332	12,087,867	544,295
Total operating expenses	<u>26,627,958</u>	<u>18,960,265</u>	<u>2,685,000</u>	<u>48,273,223</u>	<u>33,478,523</u>
Operating income (loss)	<u>4,632,765</u>	<u>835,908</u>	<u>(1,122,203)</u>	<u>4,346,470</u>	<u>553,441</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest income	691,429	213,212	2,159	906,800	42,440
Grant income	-	160,095	261,799	421,894	-
Interest expense	(2,990,115)	-	-	(2,990,115)	-
Amortization of bond discount and issue cost	(476,880)	-	-	(476,880)	-
Gain on disposition of capital assets	35,442	7,696	-	43,138	66,540
Other revenue (expense)	-	-	45,670	45,670	(724)
Total net nonoperating revenues (expenses)	<u>(2,740,124)</u>	<u>381,003</u>	<u>309,628</u>	<u>(2,049,493)</u>	<u>108,256</u>
Income (loss) before contributions and transfers	1,892,641	1,216,911	(812,575)	2,296,977	661,697
Capital contributions	2,353,651	-	223,799	2,577,450	-
Transfers out	-	-	(50,000)	(50,000)	-
Change in net position	4,246,292	1,216,911	(638,776)	4,824,427	661,697
Total net position - beginning - as restated	<u>199,165,072</u>	<u>16,513,013</u>	<u>28,838,961</u>		<u>7,500,618</u>
<b>Total net position - ending</b>	<u>\$ 203,411,364</u>	<u>\$ 17,729,924</u>	<u>\$ 28,200,185</u>		<u>\$ 8,162,315</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				(9,203)	
Change in net position business type activities				<u>\$ 4,815,224</u>	

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

**Martin County, Florida**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2014**

	Business Type Activities Enterprise Funds			Total	Governmental
	Water / Sewer Utilities	Solid Waste	Non-major Airport		Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 31,563,128	\$ 19,832,479	1,494,177	\$ 52,889,784	\$ 30,940,318
Other receipts	-	-	55,161	55,161	(1,220,524)
Payments to suppliers	(11,101,258)	(16,483,911)	(967,820)	(28,552,989)	(624,677)
Payments for salaries and benefits	(5,048,040)	(1,223,713)	(320,913)	(6,592,666)	(493,720)
Claims paid	-	-	-	-	(33,137,267)
Payments for long-term care costs	-	(730,630)	-	(730,630)	-
Other payments	(488,763)	(7,719)	480,698	(15,784)	-
Net cash provided (used) by operating activities	14,925,067	1,386,506	741,303	17,052,876	(4,535,870)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Operating subsidies - operating grants received	-	160,095	39,055	199,150	-
Transfers to other funds	-	-	(50,000)	(50,000)	-
Net cash provided (used) by noncapital financing activities	-	160,095	(10,945)	149,150	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from solid waste advance	6,716,490	-	-	6,716,490	-
Capital contributions	1,920,449	-	130,412	2,050,861	-
Distribution of special assessment fees	(331,294)	-	-	(331,294)	-
Purchases of capital assets	(17,110,102)	(505,744)	(320,306)	(17,936,152)	(365,553)
Principal paid on capital debt	(3,897,631)	-	-	(3,897,631)	-
Principal paid on advance from solid waste	(185,903)	-	-	(185,903)	-
Proceeds from sale of assets	36,168	13,107	-	49,275	67,992
Interest paid on capital debt	(2,907,208)	-	-	(2,907,208)	-
Interest paid on advance from solid waste	(83,956)	-	-	(83,956)	-
Debt obligation cost	(44,875)	-	-	(44,875)	-
Net cash used by capital and related financing activities	(15,887,862)	(492,637)	(189,894)	(16,570,393)	(297,561)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Advance to utilities	-	(6,716,490)	-	(6,716,490)	-
Cash receipts of principal of advance	-	185,903	-	185,903	-
Interest earned on advance to utilities	-	83,956	-	83,956	-
Purchase of investments	(18,463,520)	(8,842,270)	(301,882)	(27,607,672)	(6,919,572)
Proceeds from sales and maturities of investments	16,716,784	13,911,677	-	30,628,461	11,113,267
Interest earned	691,429	129,256	2,159	822,844	42,440
Net cash (used) provided by investing activities	(1,055,307)	(1,247,968)	(299,723)	(2,602,998)	4,236,135
<b>Change in cash and cash equivalents</b>	(2,018,102)	(194,004)	240,741	(1,971,365)	(597,296)
Cash and cash equivalents - beginning of the year	2,842,610	427,315	100,640	3,370,565	3,011,520
<b>Cash and cash equivalents - end of year</b>	\$ 824,508	\$ 233,311	341,381	\$ 1,399,200	\$ 2,414,224
<b>Cash and cash equivalents - unrestricted</b>	218,821	231,873	341,381	792,075	2,020,724
<b>Cash and cash equivalents - restricted</b>	605,687	1,438	-	607,125	393,500
<b>Cash and cash equivalents - end of year</b>	\$ 824,508	\$ 233,311	341,381	\$ 1,399,200	\$ 2,414,224

(continued)

**Martin County, Florida**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2014**  
(continued)

	Business Type Activities Enterprise Funds				Governmental Activities - Internal Service Funds
	Water / Sewer Utilities	Solid Waste	Non-major Airport	Total	
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 4,632,765	\$ 835,908	(1,122,203)	\$ 4,346,470	\$ 553,441
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	10,064,805	743,730	1,279,332	12,087,867	544,295
Other expenses (revenue)	-	-	480,698	480,698	-
Loss on disposal of capital assets	-	-	1,436	1,436	-
Change in assets and liabilities:					
Accounts receivable, net (increase) decrease	(265,398)	24,258	(13,459)	(254,599)	(563,427)
Unearned revenue	-	4,329	-	4,329	-
Due from other funds	-	-	-	-	(520)
Receivable from other governmental agencies	-	-	-	-	938
Inventories	(239,893)	-	-	(239,893)	(24,884)
Other current assets	-	-	(307)	(307)	(1,292,577)
Accounts payable	603,205	193,384	111,231	907,820	24,743
Due to other funds	-	-	-	-	(3,770,000)
Accrued wages payable	39,618	2,982	1,520	44,120	(448)
Landfill closure cost	-	(402,648)	-	(402,648)	-
Accrued compensated absences increase (decrease)	10,925	(15,437)	3,055	(1,457)	(7,431)
Customer deposits	79,040	-	-	79,040	-
Net cash provided (used) by operating activities	<u>\$ 14,925,067</u>	<u>\$ 1,386,506</u>	<u>741,303</u>	<u>\$ 17,052,876</u>	<u>\$ (4,535,870)</u>

**Noncash investing, capital and financing activities:**

During the year ended September 30, 2014, the Utilities Department had system assets contributed in the amount of \$433,202

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, 2014**

	<u>Private Purpose Trust</u>	<u>Agency funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 99,143	\$ 8,755,182
Investments	1,389,954	193,334
Accounts receivable, net	-	118
Total assets	<u>1,489,097</u>	<u>8,948,634</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	-	1,168
Due to other governmental agencies	-	4,254,524
Deposits from individuals and corporations	1,000,000	4,692,942
Total liabilities	<u>1,000,000</u>	<u>\$ 8,948,634</u>
<b>NET POSITION</b>		
Total net position	<u>\$ 489,097</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, 2014**

	<b>Private Purpose Trust</b>
	<u>                    </u>
<b>ADDITIONS:</b>	
Fines and forfeitures	\$ 85,973
Interest income	7,080
	<u>                    </u>
Total additions	<u>93,053</u>
<b>DEDUCTIONS:</b>	
Economic Environment	12,000
Human services	79,884
	<u>                    </u>
Total deductions	<u>91,884</u>
Change in net position	1,169
Net position - beginning	487,928
Net position - ending	<u>\$ 489,097</u>

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



**Martin County, Florida**  
**Notes to Financial Statements**  
**September 30, 2014**

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**Note 1 - Summary of Significant Accounting Policies**

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

**A. General Information**

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

**B. Reporting Entity**

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

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

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

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

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

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

**Martin County, Florida**  
**Notes to Financial Statements**  
**September 30, 2014**

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

The CRA was established under the authority of F.S. 163, Part III, the Community Redevelopment Act, 1969, as amended (the “Statute”), and became effective upon adoption and filing of the County Ordinance #517 on June 24, 1997 (codified as Chapter 7 1/3 of the Code of Laws and Ordinances of Martin County). There are currently seven neighborhoods within the County CRA.

The CRA is the primary agency responsible for community redevelopment; addressing the needs of all the County’s communities in order to maintain traditional character, strengthen neighborhoods and promote access to neighborhood services. Ordinance 860 was effective June 1, 2010 through December 18, 2012 making the CRA consist of seven members – one member representing each of the Neighborhood Planning Areas – that were appointed by the Board of County Commissioners. Because of this, the CRA was a discretely presented component unit for fiscal years 2011 and 2012. On December 18, 2012, the Board voted to make the governing body of the CRA be composed of the members of the Board of County Commissioners with the County Administrator having operational responsibility for the component unit and managing its activities. Beginning October 1, 2012, the CRA is reported as a Blended Component Unit, as a special revenue fund.

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 does not issue separate financial statements, however, it is being reported as a major governmental fund for fiscal year 2014 purposes.

**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 the 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.

**Martin County, Florida**  
**Notes to Financial Statements**  
**September 30, 2014**

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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 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, liabilities, fund equity, revenues and expenditures/expenses. Separate funds are maintained to account for specific government activities or to comply with special regulations or legal restrictions.

The County reports the following major governmental funds:

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

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

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

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.

**Martin County, Florida**  
**Notes to Financial Statements**  
**September 30, 2014**

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

**E. Basis of Accounting and Measurement Focus**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for the agency fund which has no measurement focus and is reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

The governmental fund type measurement focus is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination. These funds are maintained on the modified accrual basis of accounting. Revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to pay liabilities of the current period. For this purpose the County considers revenue to be available if they are collected within 60 days of the end of the current fiscal period with the exception of grants, which have a period of 180 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, 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.

**Martin County, Florida**  
**Notes to Financial Statements**  
**September 30, 2014**

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

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

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

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

**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 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.

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.

**Martin County, Florida**  
**Notes to Financial Statements**  
**September 30, 2014**

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

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

**G. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies, 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. Pension and Other Post-Employment Benefits Disclosure**

The County applies GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, for the measurement, recognition, and display of pension expenditures or expenses as discussed in a subsequent note.

The County applies GASB Statement No 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for the measurement, recognition, and display of OPEB expenditures or expenses, liabilities and assets as discussed in a subsequent note.

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

**1. Cash and Cash Equivalents**

For purposes of these statements, demand deposits and petty cash and short-term investments with original maturity 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.

**2. Investments**

Investments are stated at fair value (quoted market price or best available estimate thereof), except for investments in U.S. Government Agency Securities with remaining maturities of one year or less at purchase, which are stated at amortized cost.

Investments in the State Board of Administration's Local Government Investment Pool (n/k/a "Florida PRIME"), Florida Local Government Investment Trust, Invesco U.S. Institutional Money Market Fund, and Florida Trust Day to Day Fund are recorded at their share price, which represents the fair value of the funds' underlying investments. The Fund B Surplus Funds Trust Fund is accounted for as a fluctuating net asset value pool.

**Martin County, Florida**  
**Notes to Financial Statements**  
**September 30, 2014**

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**3. Receivables**

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

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

**4. Interfund Activities**

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

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

In 2014, the Utilities department entered into an advance agreement with the Solid Waste department with the original advance amount of \$6.72 million to be repaid over 15 years with an interest rate of 2.5%. This money will be used to provide partial funding for bio solids facilities that are expected to be completed by the end of fiscal year 2015. At September 30, 2014, the outstanding principal was \$6.53 million. The County is reporting this entire amount as an Advance.

**5. Inventories and Prepaid Items**

Inventories of supplies in the governmental funds are recorded at cost and inventories held for resale 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 nonspendable 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.

**Martin County, Florida**  
**Notes to Financial Statements**  
**September 30, 2014**

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**6. 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 three properties have been sold. Assets held for resale are presented at the lower of cost or market. In addition, the CRA has purchased four properties to date with three new purchases this fiscal year. The CRA plans to sell the property under the requirements of Section 163.380, Florida Statutes.

**7. Assets Held for Donation**

Assets Held for Donation are foreclosed homes the County purchased under the Federal Neighborhood Stabilization Plan 3 (NSP-3) Housing Grant. These properties will be rehabilitated and given to one of the County's low-income housing partners with a 20 year deed restriction to manage lower-than-market rentals to very low income families for 20 years. The BOCC must approve the transfer of the properties. The County has purchased seven properties to date, and five properties have been transferred. The remaining two properties are expected to be donated in the next fiscal year.

**8. Restricted Assets**

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

**9. Capital Assets**

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible items are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. In the governmental funds financial statements, costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures. Capital assets are not shown on the governmental 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. The Utilities and Solid Waste funds define capital assets as assets with an initial cost of \$1,000 dollars or more and an estimated useful life in excess of one year.

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 fair 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:



**Martin County, Florida**  
**Notes to Financial Statements**  
**September 30, 2014**

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

**10. Deferred Outflows/Inflows of Resources**

In addition to assets, there is a separate section for deferred outflows of resources which represents a consumption of net position applicable to a future period and will not be recognized as an outflow (expense/expenditure) until that time. The deferred loss on refunding is reported in the government-wide statement of net position and the proprietary funds statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, there is a separate section for deferred inflows of resources, which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow (revenue) until that time. Deferred inflows in the fund financial statements represent revenue not received within the County's period of availability.

**11. 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, and gain/loss on bond refunding are deferred and amortized over the life of the bonds using the straight line method, which is not materially different than the effective interest 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 uses. Issuance costs are expensed as incurred.

**12. 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.

**13. Landfill Closure and Postclosure 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.

**Martin County, Florida**  
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**14. 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.

**15. 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 and 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.

**16. Net Position**

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

Restricted net position is that portion of net position that have 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 2014 includes \$17,144,246 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.

**17. Governmental Fund Balance**

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

*Non-spendable* fund balances include amounts that cannot be spent because they are not spendable in form or legally or contractually required to remain intact. At the County, inventories 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.

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*Committed* fund balances are those that contain self-imposed constraints or specific purposes, imposed by the government’s highest level of decision making authority. Ordinances require a public hearing and approval by the Board of County Commissioners.

*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.

**Note 2 – Special Item**

The Government-wide Statement of Activities includes a \$97.6 million capital contribution recorded as a special item. Special items are those significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence. The Florida Department of Transportation oversaw and funded the construction of the long-awaited Veterans Memorial Bridge spanning the St. Lucie River and Okeechobee Waterway. Opened this year, it connects Indian Street in Stuart to the C.R. 714 in Palm City over environmentally sensitive lands and waters. At the completion of construction, the bridge and right of way were transferred to the County. This added infrastructure to the county roadway system received support from local, state, and federal agencies. The County will be responsible for operating and maintaining the bridge.

**Note 3 - Cash and Cash Equivalents and Investments**

**Cash and cash equivalents**

The carrying amount of cash and cash equivalents (including fiduciary funds) as of September 30, 2014 is as follows:

Cash and cash equivalents	Primary Government
Unrestricted	\$ 22,973,045
Reported in fiduciary funds	8,854,325
Restricted	1,000,625
	<u>\$ 32,827,995</u>

Cash and cash equivalents consist of the following:

	Primary Government
Demand deposits	\$ 32,809,114
Petty cash	18,881
	<u>\$ 32,827,995</u>

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Demand 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 County depositories at year-end were designated as qualified public depositories; therefore, while the County does not have a specific policy regarding custodial credit risk, the County does not have exposure to this type of risk.

The use of certain assets is restricted by specific provisions of state law. Assets so designated are identified as restricted cash and restricted investments in the accompanying statement of net position.

**Investments**

Martin County invests surplus funds in an external investment pool, the Florida PRIME. The state pool is administered by the Florida State Board of Administration (“SBA”), which provides regulatory oversight. On September 5, 2014, the SBA transferred the balance of Fund B to Florida PRIME, representing 100 percent of the original principal for fund participants. Fund B cash holdings had been distributed as they became available from maturities, sales, investment interest and other income received. Investments in Florida PRIME, Florida Local Government Investment Trust Fund, and Florida Trust Day to Day Fund are recorded at their share price, which represents the fair value of the funds' underlying investments.

The County investment policy and various bond covenants limit **credit risk**, the risk an issuer will not fulfill its obligation, 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 “AAAm” or “AAAg”; 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. **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.

The carrying amount of investments (including fiduciary funds) as of September 30, 2014 is as follows:

Investments:	Primary
	Government
Unrestricted	\$ 124,304,685
Reported in fiduciary funds	1,583,288
Restricted	15,159,006
	<u>\$ 141,046,979</u>

**Martin County, Florida**  
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The County's investments at September 30, 2014 consisted of the following:

	Primary Government
Florida PRIME	\$ 51,920,506
U.S. Agency Bonds	64,347,064
Florida Local Government Investment Trust (FLGIT)	14,144,057
Florida Trust Day to Day Fund	10,635,352
	<u>\$ 141,046,979</u>

Florida PRIME is administered by the State Board of Administration, and has adopted operating procedures consistent with those of a “2a-7 like” pool. GASB 31 describes a “2a-7 like” pool as an “external investment pool that is not registered with the Securities and Exchange Commission as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with Rule 2a-7 under the Investment Company Act of 1940”. Concerning credit quality, Florida PRIME is rated by Standard and Poor’s with a current rating of “AAAm”. The weighted average day to maturity (WAM) of Florida PRIME at September 30, 2014 was 39 days. Funds invested in Florida PRIME have full liquidity, with no penalty for withdrawal. Additional information regarding Florida PRIME may be obtained from the State Board of Administration, <https://www.sbafla.com/prime>.

U.S. Agency Bonds for the Board of County Commissioners consist of Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC). At September 30, 2014, the weighted average maturity was 1,243 days and the bonds were rated AA+ by Standard & Poor’s, Aaa by Moody’s, and AAA watch by Fitch. U.S. Agency Bonds for the Sheriff consist of Federal Farm Credit Bank (FFCB) that mature on November 26, 2014 and make up 100% of the portfolio. These bonds were rated AA+ by Standard & Poor’s.

The Florida Local Government Investment Trust (“FLGIT”) is governed by a Board of Trustees consisting of six members. The Florida Association of Court Clerks and the Florida Association of Counties each appoint three trustees. The Board consists of 3 Clerks of Court and 3 County Commissioners. The FLGIT is designed to provide an investment diversification option, specifically to meet the short-term investment needs of Florida local governments. As of September 30, 2014, the trust had a credit quality rating of AAAf, a bond fund volatility rating of S1, and the weighted average maturity was 1.82 years.

The Florida Trust Day to Day Fund was created in January 2009 and is governed by the same board and advisory committee that oversee the Florida Local Government Investment Trust. It is a money market fund that is AAAM-rated by Standard & Poor’s and its weighted average maturity at September 30, 2014 was 55.18 days.

Concentration of Credit Risk

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%  
 Florida Local Government Investment Trust (FLGIT) 10%

Direct Obligations of the U.S. Treasury 90%

Securities issued by Federal Agencies 50%; with additional issuer composition limit to investment in any single issuer limited to 25% of the total portfolio assets

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Money Market Funds – may not invest more than \$50 million in any single money market fund family and County investment in any single money market shall not exceed 5% of the total balance of that particular fund

Interest-bearing Time Deposits Accounts and Non-negotiable Certificates of Deposit (CD) in Qualified Public Depositories 30%

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.

As of September 30, 2014, the following issuers held 5% or more of the investment portfolio: U.S. Agency Bonds (45.60%); Florida Prime (36.80%); Florida Trust Day to Day Fund (10%) and Florida Local Government Investment Trust (7.60%).

**Note 4 – Receivables and Payables**

Detailed receivables and payables for the government’s individual major funds and non-major and enterprise funds in the aggregate were as follows:

Receivables:

Funds	Accounts	Special Assessments	Totals
Governmental Activities:			
General	\$ 277,313	\$ -	\$ 277,313
Consolidated Fire/EMS MSTU	88,179	-	88,179
Other Governmental funds	154,043	470,060	624,103
Internal Service funds	732,596	-	732,596
Total governmental activities	\$ 1,252,131	\$ 470,060	\$ 1,722,191
Business type activities:			
Water/Sewer Utilities	\$ 2,872,017	\$ 1,021,179	\$ 3,893,196
Solid Waste	493,322	-	493,322
Airport Authority	21,279	-	21,279
Totals business type activities	\$ 3,386,618	\$ 1,021,179	\$ 4,407,797

**Martin County, Florida**  
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Payables:

Funds	Accounts	Accrued wages	Totals
Governmental Activities:			
General	\$ 2,226,682	\$ 686,434	\$ 2,913,116
Consolidated Fire/EMS MSTU	141,414	816,576	957,990
CRA Trust	236,960	10,248	247,208
Other Governmental funds	3,688,567	309,771	3,998,338
Internal Service funds	2,811,739	10,258	2,821,997
Total governmental activities	<u>\$ 9,105,362</u>	<u>\$ 1,833,287</u>	<u>\$ 10,938,649</u>
Business type activities:			
Water/Sewer Utilities	\$ 1,667,667	\$ 180,602	\$ 1,848,269
Solid Waste	2,468,396	36,528	2,504,924
Airport Authority	207,132	8,493	215,625
Totals business type activities	<u>\$ 4,343,195</u>	<u>\$ 225,623</u>	<u>\$ 4,568,818</u>

**Note 5 - Interfund Receivables and Payables**

Interfund receivable and payable balances, including advances, at September 30, 2014 consist of the following:

<u>Major funds:</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Codes</u>
General fund	\$ 2,232,749	\$ 483,669	A&B, A *
<u>Other governmental funds:</u>			
Federal Grants	-	800,000	--, B
Other State Grants	-	1,300,000	--, B
Public Safety	212	35,197	A, --
Sheriff Special Revenue	12,099	97,764	A, A
	<u>12,311</u>	<u>2,232,961</u>	
<u>Internal Service Funds:</u>			
Vehicle Maintenance	13,316	-	A, --
BOCC Self-Insurance	82,399	-	A,--
Sheriff Self-Insurance	375,855	-	A, --
	<u>471,570</u>	<u>-</u>	
Total interfund receivables & payables	<u>\$ 2,716,630</u>	<u>\$ 2,716,630</u>	





**Martin County, Florida**  
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Less accumulated depreciation for:				
Buildings and improvements	(58,727,078)	(4,393,257)	-	(63,120,335)
Equipment and other assets	(53,459,793)	(5,315,944)	2,059,094	(56,716,643)
Land use rights	(1,884,753)	(279,613)	-	(2,164,366)
Software	(1,462,611)	(851,826)	-	(2,314,437)
Land Improvements	(19,623,161)	(2,844,340)	-	(22,467,501)
Infrastructure	<u>(301,131,664)</u>	<u>(9,692,757)</u>	-	<u>(310,824,421)</u>
Total accumulated depreciation	<u>(436,289,060)</u>	<u>(23,377,737)</u>	<u>2,059,094</u>	<u>(457,607,703)</u>
Total capital assets being depreciated, net	<u>316,585,607</u>	<u>104,634,293</u>	<u>(137,589)</u>	<u>421,082,311</u>
Governmental activities capital assets, net	<u>\$ 535,142,143</u>	<u>\$ 108,641,681</u>	<u>\$ (10,976,607)</u>	<u>\$ 632,807,217</u>

Depreciation expense was charged to functions as follows:

**Governmental Activities:**

General government	\$ 3,034,472
Public safety	4,472,292
Physical environment	1,608,081
Transportation (which includes depreciation for infrastructure)	9,083,742
Economic Environment	37,061
Human services	162,841
Culture and recreation	<u>4,979,248</u>

Total governmental activities depreciation expense \$ 23,377,737

The above amounts include depreciation expense of \$544,295 for capital assets that were held by government's internal service funds and were charged to the various functions based on the usage of the assets.

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<b>Business-type activities:</b>	Beginning	Increases/	Decreases/	Ending
<b>Water/Sewer Utilities:</b>	Balance	Transfers	Transfers	Balance
Capital assets not being depreciated:				
Land	\$ 5,759,243	\$ -	\$ -	\$ 5,759,243
Intangible assets, land use rights	335,483	8,976	-	344,459
Construction in progress	970,255	11,977,023	(692,747)	12,254,531
Total capital assets not being depreciated:	7,064,981	11,985,999	(692,747)	18,358,233
Capital assets being depreciated:				
Buildings	128,392,580	1,734,238	-	130,126,818
Water distribution system	86,524,120	2,550,868	-	89,074,988
Wells	11,706,165	44,386	-	11,750,551
Sewer collection system	105,622,353	2,027,391	-	107,649,744
Equipment & leasehold improvement	5,502,264	166,570	(179,720)	5,489,114
Intangible assets	7,916,642	-	-	7,916,642
Total capital assets being depreciated:	345,664,124	6,523,453	(179,720)	352,007,857
Less depreciation and amortization for:				
Buildings	(41,764,599)	(3,447,360)	-	(45,211,959)
Water distribution system	(31,266,736)	(2,308,161)	-	(33,574,897)
Wells	(5,840,340)	(471,757)	-	(6,312,097)
Sewer collection system	(34,335,259)	(3,116,938)	-	(37,452,197)
Equipment & leasehold improvement	(3,582,626)	(437,884)	178,995	(3,841,515)
Intangible assets	(2,042,370)	(282,706)	-	(2,325,076)
Total depreciation and amortization:	(118,831,930)	(10,064,806)	178,995	(128,717,741)
Total capital assets being depreciated, net	226,832,194	(3,541,353)	(725)	223,290,116
Water/Sewer capital assets, net	\$ 233,897,175	\$ 8,444,646	\$ (693,472)	\$ 241,648,349
<b>Solid Waste:</b>				
Capital assets not being depreciated:				
Land	\$ 1,836,230	\$ -	\$ -	\$ 1,836,230
Construction in progress	-	93,707	-	93,707
Total capital assets not being depreciated:	1,836,230	93,707	-	1,929,937

(CONTINUED)

**Martin County, Florida**  
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<b>Business-type activities:</b>	Beginning	Increases/	Decreases/	Ending
<b>Solid Waste:</b>	Balance	Transfers	Transfers	Balance
Capital assets being depreciated:				
Buildings and improvements	11,141,200	88,537	-	11,229,737
Landfill improvements	10,323,732	-	-	10,323,732
Equipment & leasehold improvement	4,420,878	323,500	(230,164)	4,514,214
Intangible assets	15,850	-	-	15,850
Total capital assets being depreciated:	<u>25,901,660</u>	<u>412,037</u>	<u>(230,164)</u>	<u>26,083,533</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,614,115)	(336,867)	-	(2,950,982)
Landfill improvements	(10,212,281)	(14,222)	-	(10,226,503)
Equipment & leasehold improvement	(2,712,680)	(391,056)	224,753	(2,878,983)
Intangible assets	(2,906)	(1,585)	-	(4,491)
Total accumulated depreciation:	<u>(15,541,982)</u>	<u>(743,730)</u>	<u>224,753</u>	<u>(16,060,959)</u>
Total capital assets being depreciated, Net	<u>10,359,678</u>	<u>(331,693)</u>	<u>(5,411)</u>	<u>10,022,574</u>
Solid Waste capital assets, net	<u>\$ 12,195,908</u>	<u>\$ (237,986)</u>	<u>\$ (5,411)</u>	<u>\$ 11,952,511</u>
<b>Airport:</b>				
Capital assets not being depreciated:				
Land	\$ 6,875,978	\$ -	\$ -	\$ 6,875,978
Construction in progress	154,300	276,125	-	430,425
Total capital assets, not being depreciated:	<u>7,030,278</u>	<u>276,125</u>	<u>-</u>	<u>7,306,403</u>
Capital assets being depreciated:				
Buildings	2,882,593	-	-	2,882,593
Airport improvements	22,922,723	-	-	22,922,723
Equipment	450,864	44,181	(48,175)	446,870
Total capital assets, being depreciated:	<u>26,256,180</u>	<u>44,181</u>	<u>(48,175)</u>	<u>26,252,186</u>
Less accumulated depreciation for:				
Buildings	(1,155,410)	(96,086)	-	(1,251,496)
Airport improvements	(5,272,347)	(1,154,361)	-	(6,426,708)
Equipment	(381,827)	(28,885)	48,175	(362,537)
Total accumulated depreciation:	<u>(6,809,584)</u>	<u>(1,279,332)</u>	<u>48,175</u>	<u>(8,040,741)</u>
Total capital assets being depreciated, net	<u>19,446,596</u>	<u>(1,235,151)</u>	<u>-</u>	<u>18,211,445</u>
Airport capital assets, net	<u>26,476,874</u>	<u>(959,026)</u>	<u>-</u>	<u>25,517,848</u>
Business-type activities capital assets, net:	<u>\$ 272,569,957</u>	<u>\$ 7,247,634</u>	<u>\$ (698,883)</u>	<u>\$ 279,118,708</u>

**Martin County, Florida**  
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**Note 8 – Long-Term Obligations**

Long-term obligations for the governmental funds at September 30, 2014 are comprised of the following:

Compensated absences \$ 14,462,929

Obligations under capital leases:

The County has entered into various lease agreements as lessee for financing the acquisition of several trucks and vehicles, an ambulance, fire pumper and other equipment, and for an Energy Performance contract with Trane for sports and security lighting. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date using a discount rate of 1.82% to 4.12%. Assets acquired have a cost of \$15,117,090 and a net book value of \$11,071,330.

9,518,295

General Obligation Bonds:

\$5,265,000 General Obligation Refunding Bonds, Series 2004; interest of 4.00% and principal payable annually through August 1, 2016; collateralized by a lien upon ad valorem taxes and the full faith, credit and taxing power of the Board.

1,160,000

Revenue Bonds/Notes:

\$5,500,000 Improvement Revenue Note, Series 2000 (Fox Brown Road); interest of 5.225% payable semi-annually; principal payable in annual installments through October 2015; note is unsecured with a covenant to budget and appropriate non-ad valorem revenues in amounts sufficient to provide timely payment of principal and interest on the note.

510,060

\$9,000,000 Improvement Revenue Note, Series 2004; interest of 3.985% semi-annually; principal payable in semi-annual installments through March 2024; collateralized by non-ad valorem revenues. The purpose of this note was to fund various capital projects within the County including a Sheriff's Emergency Services Center and a Boat Ramp Facility. As of September 30, 2014, principal and interest remaining on this note totaled \$5,126,794. For the year ended September 30, 2014, the principal and interest payments were \$633,709.

4,275,000

**Martin County, Florida**  
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\$8,200,000 Improvement Revenue Note, Series 2005; interest of 3.985% semi-annually; principal payable in semi-annual installments through March 2025; collateralized by non-ad valorem revenues. The purpose of this note was to fund the cost of the acquisition and construction of various capital improvements within the County. As of September 30, 2014, principal and interest remaining on this note totaled \$5,256,417. For the year ended September 30, 2014, the principal and interest payments were \$593,717. 4,305,000

\$40,000,000 Gas Tax Revenue Bonds, Series 2006; interest from 4.00% to 5.00% payable semi-annually; principal payable in annual installments through April 1, 2026; collateralized by a lien on 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 these bonds was to finance the cost of acquisition, construction, and reconstruction of roads and bridges and other transportation improvements within the County. As of September 30, 2014, principal and interest remaining on these bonds totaled \$33,258,572. For the year ended September 30, 2014, the principal and interest payments were \$3,150,775. 26,195,000

\$3,045,000 Capital Improvement Revenue Note, Series 2010; interest of 3.55% payable semi-annually; principal payable in annual installments through October 2025; collateralized by non-ad valorem revenues. The purpose of this note is to finance the costs of acquiring, construction and equipping the County's communications network which includes underground construction, redundant and resilient connections and a mix of wired and wireless connections and to pay the costs of issuing the note. As of September 30, 2014, principal and interest remaining on this note totaled \$2,918,654. For the year ended September 30, 2014, the principal and interest payments were \$264,721. 2,382,000

**Martin County, Florida**  
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\$5,750,000 Capital Improvement Revenue Note, Series 2011; interest of 3.55% payable semi-annually; principal payable in annual installments through October 2025; collateralized by non-ad valorem revenues. The purpose of this note is to finance the costs of certain improved real property known as Building A of the Willoughby property which is currently occupied by the County's Tax Collector's Office; acquiring an office building currently occupied by the County's Supervisor of Elections; acquiring, constructing, installing an equipping various capital improvements including, but not limited to, the installation of a fire sprinkler system in County-owned buildings; the acquisition, construction, installation and equipping of renovations to the County's Tropical Farms Fire Station; the acquisition, construction, installation and equipping of Phase II of the County's Public Safety Complex; any such other projects that may be approved by resolution of the County Commission and to pay the costs of issuing the note. As of September 30, 2014, principal and interest remaining on this note totaled \$5,630,500. For the year ended September 30, 2014, the principal and interest payments were \$512,086.

4,595,000

Not to exceed \$5,000,000 Capital Improvement Revenue Note, Series 2013; monies were available to be borrowed through February 24, 2013 to finance the costs of the dredging of the St. Lucie Inlet; interest rates varied depending on the timing of the draws – first draw was \$250,000 received in February 2012 with interest rate of 1.79%; the second draw was \$2.4 million, received in June 2012 with the interest rate of 1.72%; interest is paid semi-annually; principal payable annually through October 2017; collateralized by non-ad valorem revenues. As of September 30, 2014, principal and interest remaining on this note totaled \$1,657,785. For the year ended September 30, 2014, the principal and interest payments were \$562,617.

1,602,313

\$4,124,148 Lease Purchase Refunding Note, Series 2013; interest of 2.516% and principal due in annual installments through December 2024; collateralized by non-advalorem revenues. The purpose of this note is to refund the County's outstanding Master lease Agreement No. 05217; Schedule No. 03 (dated September 25, 2006 and amended on December 19, 2008). As of September 30, 2014, principal and interest remaining on this note totaled \$4,716,983. For the year ended September 30, 2014, principal and interest payments were \$80,918.

4,069,515

Total Revenue Bonds/Notes

47,933,888

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State Revolving Fund Loans:

Clean Water State Revolving Fund Construction Loan #63611S; interest of 2.95% payable semi-annually; principal payable semi-annually through February 15, 2024; collateralized by a lien on and pledge of the Local Government Half-Cent Sales Tax distributions received pursuant to Chapter 218, Part VI, Florida Statutes. As of September 30, 2014, principal and interest payments remaining on this loan totaled \$1,420,215. For the year ended September 30, 2014, the principal and interest payments were \$149,496. Interest due within one year is \$35,471.

1,230,720

Clean Water State Revolving Fund Construction Loan #63612S; interest of 2.71% payable semi-annually; principal payable semi-annually through April 15, 2025; collateralized by a lien on and pledge of the Local Government Half-Cent Sales Tax distributions received pursuant to Chapter 218, Part VI, Florida Statutes. As of September 30, 2014, principal and interest payments remaining on this loan totaled \$1,825,603. For the year ended September 30, 2014, the principal and interest payments were \$165,964. Interest due within one year is \$41,698.

1,569,527

Total State Revolving Funds 2,800,247

Notes Payable:

On August 8, 2012, the County entered into an agreement with the Department of the Army to finance costs incurred with the County's portion of costs associated with the 1995 Martin County Shore Protection Project. The payments are due annually on August 8<sup>th</sup>. The outstanding principal balance on this Note was \$765,278 on September 30, 2014 and is payable in annual installments of \$382,639 on August 8<sup>th</sup> through maturity on August 8, 2016.

765,278

Unamortized Premium 6,006

Total Long-Term Obligations \$ 76,646,643

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Total pledged revenues recognized during the fiscal year for the Series 2006 Gas Tax Revenue Bonds were \$7,921,938 with principal and interest payments for the year totaling \$3,150,775. Total pledged revenues recognized for the remaining revenue bonds/notes were \$62,950,050 with principal and interest payments for the year totaling \$2,647,768. Total pledged revenues recognized during the fiscal year for the State Revolving Fund Loans were \$13,556,629 with principal and interest payments for the year totaling \$315,460.

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

Year Ending September 30,	Governmental Activities			
	Bonds and Notes		Capital Leases	
	Principal	Interest	Principal	Interest
2015	\$ 5,996,193	\$ 1,953,944	\$ 1,644,178	\$ 341,364
2016	5,818,318	1,728,970	1,706,262	278,746
2017	4,395,303	1,538,427	1,720,972	213,801
2018	3,972,923	1,381,393	1,064,619	155,253
2019	4,085,225	1,231,710	1,042,188	118,901
2020-2024	22,105,627	3,611,577	2,340,076	128,991
2025-2026	6,285,824	238,075	-	-
	<u>\$ 52,659,413</u>	<u>\$ 11,684,096</u>	<u>\$ 9,518,295</u>	<u>\$ 1,237,056</u>

Changes in governmental activities' long-term liabilities for the year-ended September 30, 2014 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 14,002,440	\$ 7,203,439	\$ (6,742,950)	\$ 14,462,929	\$ 6,599,021
Obligations under capital leases	10,410,809	644,885	(1,537,399)	9,518,295	1,644,178
General obligation bonds	1,705,000	-	(545,000)	1,160,000	570,000
Revenue bonds/notes	55,125,125	-	(7,191,237)	47,933,888	4,805,263
State revolving fund loans	3,031,947	-	(231,700)	2,800,247	238,291
Note Payable	1,147,918	-	(382,640)	765,278	382,639
Unamortized premiums	9,463	-	(3,457)	6,006	2,478
Total liabilities	<u>\$ 85,432,702</u>	<u>\$ 7,848,324</u>	<u>\$ (16,634,383)</u>	<u>\$ 76,464,643</u>	<u>\$ 14,241,870</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 – Water & Sewer Utilities**

Long-term liabilities at September 30, 2014 in the Enterprise Funds consist of the following:

Revenue Bonds/Notes

\$7,990,000 Utilities System Revenue Bonds, Series 2009A; interest of 5.0% payable semi-annually and these are term bonds, principal due annually from 2027 to 2039; collateralized by (i) net revenues of the department, (ii) certain Capital Facilities Charges collected with respect to the Department, (iii) special assessments, if any, and (iv) amounts on deposit in funds and accounts established by the bond resolutions, equal to remaining annual principal and interest requirements over the terms of the respective bond agreements. The purpose of this bond was to provide funds for (1) paying a portion of the cost of acquiring two existing water and wastewater systems, (2) paying certain expenses related to the issuance and sale of the 2009A Bonds, and (3) paying a certain portion of the cost of purchasing a municipal bond insurance policy and debt service reserve surety policy. 7,990,000

\$28,675,000 Utilities System Revenue Bonds, Series 2009B; interest from 2.0% to 5.0% payable semi-annually; \$16,945,000 are serial bonds, payable annually through 2020; \$11,730,000 are term bonds, principal due annually from 2022 to 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 purpose of this bond was to provide funds for (1) refunding a portion of the Utilities System Revenue Bonds, Series 1998, (2) paying certain expenses related to the issuance and sale of the Series 2009B Bonds, and (3) paying a portion of the cost of purchasing a municipal bond insurance policy and debt service reserve surety policy. 26,030,000

\$16,900,000 Utilities System Refunding Revenue Note, Series 2010; interest of 2.91% payable semi-annually; principal payable in annual installments through October 1, 2026; issued to advance refund the Utilities System Revenue Bonds, Series 2001; 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 the remaining annual principal and interest requirements over the terms of respective bond agreements. 13,820,000

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\$34,260,000 Utilities System Refunding Revenue Note, Series 2012; with an interest rate of 2.9% payable semi-annually; principal payable in annual installments through October 1, 2033; 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 the remaining annual principal and interest requirements over the terms of respective bond agreements.

32,695,000

Total Revenue Bonds/Note

80,535,000

State Revolving Fund Loan

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

As of September 30, 2014 draw downs on loan number WWG12063607P have been completed. Balance on loan is :

1,723,244

Advance 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 anticipated completion date of the project is by end of fiscal year 2015. The advance is scheduled to be repaid over 15 years with an interest rate of 2.5%.

Balance on advance from Solid Waste is :

6,530,587

Total Revenue Bonds/Note and State Revolving Fund Loan

88,788,831

Unamortized premium

\$ 412,759

Unamortized discount

(274,656)

Total long-term debt

\$ 88,926,934

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The revenue bonds include restrictive covenants which require the establishment and maintenance of various reserve and bond service accounts and governs the flow of funds with respect to such accounts. In addition, covenants generally require the Department to establish rates and fees sufficient to provide net revenues and special assessments equal to 110% of the annual debt service requirements, or rates and fees sufficient to provide net revenues, capital facilities charges and special assessments equal to 120% of annual debt service requirements. Based on the interpretations of the Resolutions, the Department's pledged revenues recognized during the period were approximately \$18,438,884 with capital facilities charges and \$17,492,545 exclusive of capital facilities charges. Principal and interest payments for the total fiscal year totaled \$7,074,698.

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

Year Ending September 30,	Business-type Activities Water & Sewer Utilities Bonds, Note and Loan		
	Principal	Interest	Amount
2015	\$ 4,608,046	\$ 3,207,617	\$ 7,815,663
2016	4,583,218	2,964,848	7,548,066
2017	4,746,960	2,797,230	7,544,190
2018	4,941,057	2,610,578	7,551,635
2019	5,140,520	2,412,267	7,552,787
2020-2024	28,647,938	9,099,642	37,747,580
2025-2029	21,126,092	4,452,858	25,578,950
2030-2034	11,315,000	1,987,165	13,302,165
2035-2039	3,680,000	570,000	4,250,000
	<u>\$ 88,788,831</u>	<u>\$ 30,102,205</u>	<u>\$ 118,891,036</u>

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Changes in long-term liabilities for the year ended September 30, 2014 were as follows:

	Balance			Balance		
	09/30/2013	Additions	Reductions	09/30/2014	Due Within	One Year
<b>Water/Sewer Utilities</b>						
Revenue Bonds						
Series 2009A	\$ 7,990,000	\$ -	\$ -	\$ 7,990,000	\$ -	-
Series 2009B	27,610,000	-	(1,580,000)	26,030,000	1,645,000	
Plus (Less):						
Unamortized premium	457,634	-	(44,875)	412,759	-	-
Unamortized discount	(307,902)	33,246	-	(274,656)	-	-
Total revenue bonds	<u>35,749,732</u>	<u>33,246</u>	<u>(1,624,875)</u>	<u>34,158,103</u>	<u>1,645,000</u>	
Series 2010 Refunding Note	14,725,000	-	(905,000)	13,820,000	940,000	
Series 2012 Refunding Note	33,975,000	-	(1,280,000)	32,695,000	1,315,000	
State Revolving Fund Loans						
WWG12063607P	1,855,875	-	(132,631)	1,723,244	136,279	
Advance from Solid Waste Fund	-	6,716,490	(185,903)	6,530,587	571,767	
Total long-term debt	86,305,607	6,749,736	(4,128,409)	88,926,934	4,608,046	
Other liabilities:						
Compensated absences	<u>549,111</u>	<u>514,934</u>	<u>(504,010)</u>	<u>560,035</u>	<u>94,158</u>	
Total long-term liabilities						
Water/Sewer Utilities	<u>86,854,718</u>	<u>7,264,670</u>	<u>(4,632,419)</u>	<u>89,486,969</u>	<u>4,702,204</u>	
<b>Solid Waste:</b>						
Compensated absences	127,674	91,909	(107,346)	112,237	19,202	
Landfill closure costs	<u>12,551,011</u>	<u>-</u>	<u>(402,648)</u>	<u>12,148,363</u>	<u>547,600</u>	
Total long-term liabilities						
Solid Waste	<u>12,678,685</u>	<u>91,909</u>	<u>(509,994)</u>	<u>12,260,600</u>	<u>566,802</u>	
<b>Airport</b>						
Compensated absences	<u>27,820</u>	<u>25,832</u>	<u>(22,777)</u>	<u>30,875</u>	<u>3,088</u>	
Total long-term liabilities						
Business-type activities	<u>\$ 99,561,223</u>	<u>\$ 7,382,411</u>	<u>\$ (5,165,190)</u>	<u>\$ 101,778,444</u>	<u>\$ 5,272,094</u>	

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**Note 10 – Lease Commitments**

Operating Leases:

The primary government leases office facilities, which have non-cancelable lease terms in excess of one year. The following is a schedule by year of future minimum rentals on such leases as of September 30, 2014:

<u>Year Ending September 30</u>	<u>Amount</u>
2015	\$ 360,230
2016	369,561
2017	263,942
2018	262,823
2019	<u>225,499</u>
Total future minimum rentals	<u>\$ 1,482,055</u>

Rental expenditures on operating leases amounted to \$554,423 for the year ended September 30, 2014.

**Note 11 – 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 postclosure 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 postclosure care costs as an expense in each period based on actual costs incurred and adjustments to the engineer’s report. The reported closure and postclosure care liability at September 30, 2014 represents the cumulative amount accrued to date based on closure of the landfill in FY 2006.

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 \$402,648 is due to a reduction from 23 to 22 years of estimated post closure care costs and the final payment to the contractor for closing Palm City II.

Solid Waste is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure 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 postclosure care requirements are determined (due to changes in technology or applicable laws or regulation, for example) these costs may need to be covered by charges to future landfill users.

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**Note 12 - Capital Contributions**

Capital contributions in Water/Sewer Utilities fund consist of monies received, and capital assets contributed. The additions during fiscal year 2014 consisted of \$749,681 in cash, \$433,202 in capital assets, and \$1,170,768 of special assessment revenue recognized. Capital contributions recognized in the Airport fund totaled \$223,799 and consisted of capital grants. Capital contributions for governmental activities totaled \$100,707,939, which includes \$97,693,027 for the Veteran’s Memorial Bridge.

**Note 13 – Interfund Transfers**

Transfers for the year ended September 30, 2014 were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 1,150,471	\$ 2,894,974
Consolidated Fire/EMS MSTU	-	430,449
	1,150,471	3,325,423
Other Governmental Funds:		
Other MSTUs	-	1,130,492
Federal Grants	64,350	-
Other State Grants	1,188,553	-
Local Grants	393,639	-
Other Impact Fees	-	399,481
Transportation Impact Fees	-	790,793
Public Safety	155,482	558,190
Judicial	817,923	328,674
Economic Development	709,313	-
Sheriff Special Revenue	457,198	155,482
General Obligation Bonds	-	118,132
Revenue Bonds	3,152,890	-
Bank Notes & Loans	1,817,351	-
Recreation Projects	-	469,034
Transportation Road Projects	130,000	2,474,469
County Buildings	-	237,000
	8,886,699	6,661,747
Airport	-	50,000
Total	\$ 10,037,170	\$ 10,037,170

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. In the current year there were no transfers that did not occur on a routine basis or that were inconsistent with the activities of the fund making the transfer.

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Transfers out of the General Fund were made for \$709,313 to Economic Environment to fund operations; \$371,143 to Revenue Bonds and \$694,988 to Bank Notes and Loans to cover debt service; and \$500,000 for an internal designation for OPEB. Transfers out of Consolidated Fire/EMS MSTU include the following: \$182,501 to cover debt service for the Improvement Revenue Bond, 2001A and \$247,948 for the Improvement Revenue Note, 2005. Transfers into Federal, State and Local Grants represent County matched funds for these type Grants and includes \$400,492 from Other MSTUs, \$469,034 from Recreation Projects, and \$731,469 from Transportation Road Projects. Transfers out of Transportation Impact Fees in the amount of \$745,246 were made to cover debt service payments for the Gas Tax Revenue Bonds, 2006 and \$45,547 were County matched funds for grants. Transfers into the Revenue Bonds also consist of \$1,743,000 from Transportation Road projects, made to cover debt service for the Gas Tax Revenue Bonds, 2006. Additionally, the amounts of \$399,481, \$9,259, \$328,674 and \$137,000 from Other Impact Fees, Public Safety, Judicial, and County Buildings, respectively, were transferred to cover debt service payments for Bank Notes & Loans; and \$111,000 was transferred from General Obligation Bonds to cover the payoff of the Improvement Revenue Bond, Series 2001A. County Buildings transferred \$100,000 to the Sheriff for the purchase of a new patrol vessel and monies were transferred from Public Safety to Sheriff Special Revenues to fund education and grants. \$600,000 was transferred from Other MSTUs to the General Fund to be used for SRF loan payments.

**Note 14 - Property Tax**

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

Assessment roll validated	July 1
Millage resolution approved	September 30
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 1 and become due and payable on November 1 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 1. Real property taxes that are delinquent are charged 3 percent interest for April and 5 percent interest for May. Tax certificates are sold by June 1st. Florida Power & Light Company is a major tax payer in the county, representing approximately 10.96% of taxable value.

**Note 15 - Defined Benefit Pension Plan**

**Plan Description**

Substantially all full-time County employees participate in the Florida Retirement System ("FRS"), a multiple-employer, cost-sharing public retirement system administered by the Division of Retirement of the Department of Management Services. As a general rule, membership in FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

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Benefits are established by Chapter 121, *Florida Statutes*, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida Legislature. Benefits are computed based on age, average final compensation, and service credit. A post-employment health insurance subsidy is also available for eligible retired employees through the FRS in accordance with *Florida Statutes*.

Regular class employees, hired prior to 07/01/2011, who retire at or after age 62 with 6 years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life equal to 1.6% of their final average compensation for each year of credited service. Vested employees with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special risk class employees (sworn law enforcement officers, firefighters, and correctional officers, hired prior to 07/01/2011) who retire at or after age 55 with 6 years of credited service, or with 25 years of service regardless of age, or 52 years of age with 25 years of combined Special Risk Class service and military service, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation for each year of credited service.

Regular class employees, hired on or after 07/01/2011, who retire at or after age 65 with 8 years of credited service or 33 years of service regardless of age are entitled to a retirement benefit payable monthly for life equal to 1.6% of their final average compensation for each year of credited service. Vested employees with less than 33 years of service may retire before age 65 and receive reduced retirement benefits. Special risk class employees (sworn law enforcement officers, firefighters, and correctional officers, hired on or after 07/01/2011) who retire at or after age 60 with 8 years of credited service, or with 30 years of service regardless of age, or 57 years of age with 30 years of combined Special Risk Class service and military service are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation for each year of credited service.

In addition to the above benefits, the FRS administers a Deferred Retirement Option Program (“DROP”). This program allows eligible employees to defer receipt of monthly retirement benefit payments while continuing employment with a Florida Retirement System employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the Florida Retirement System Trust Fund and accrue interest.

The County has no responsibility to FRS other than to make the periodic payments required by state statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for FRS. The report may be obtained by writing to Florida Division of Management Services, Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000.

**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 County is required to contribute an actuarially determined rate. The following rates, on an annual covered payroll, were in effect during fiscal 2014 for the following classes of memberships:

	10/01/13- 06/30/14	07/01/14- 09/30/14
Regular	6.95%	7.37%
Senior Management	18.31%	21.14%
Special Risk	19.06%	19.82%
County Elected Officials	33.03%	43.24%
DROP	12.84%	12.28%



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The contributions of the County are established and may be amended by the State Legislature. The County's contribution to the FRS for the years ended September 30, 2014 were 12.30% of the annual covered payroll. Contributions for the years ended September 30, 2014, 2013, and 2012 were \$12,842,128, \$9,936,721, and \$8,828,210, respectively, and are equal to the required contributions for those fiscal years.

**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 a FRS employer. The participation in the program does not change conditions of employment. When the DROP period ends, (maximum of 60 months), employment must be terminated. At the time of termination of employment, the employee 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).

The FRS publishes an annual FRS Valuation Summary report that provides eight-year historical trend supplementary 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 Section, PO Box 9000, Tallahassee, Florida 32315-9000, or by email at [rep@dms.myflorida.com](mailto:rep@dms.myflorida.com), or by phone toll-free at 877-FRS-1FRS (877-377-1737), at (850) 488-5706 in the Tallahassee local calling area, or at SUNCOM 278-5706, or by Internet at [http://dms.myflorida.com/dms2/human\\_resource\\_support/retirement/publications/system\\_information](http://dms.myflorida.com/dms2/human_resource_support/retirement/publications/system_information).

**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, in accordance with state statutes, to all employees who retire from the County after vesting with the retirement system. Currently, 457 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. The Plan does not issue a stand-alone financial report.

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 (10) years, be at least 55 years of age, or have worked for a Florida Retirement System Employer for at least twenty-five (25) years including ten (10) years with Martin County, regardless of age. The retired employee must be receiving retirement benefits from the Florida Retirement System (FRS) in order to participate in the Plan. Effective October 1, 2011, the Board of County Commissioners reduced the health premium subsidy provided to its retiring firefighters. Those that retired prior to that date will be grandfathered and continue to receive the subsidy of the County paying 75% of insurance cost regardless of the level of coverage (including any dependent coverage).

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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 to all employees who retire after vesting with the FRS. The Sheriff subsidizes 75% of the amount of health care costs for retirees, including family/dependent coverage, 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.

**Membership**

As of September 30, 2014, membership consisted of:

	<u>Agencies</u>	<u>Sheriff</u>
Active Employees	953	477
Retired Participants	255	202

**Funding Policy**

Funding for the plan is on a pay-as-you-go basis from the County's general assets when due. There is no separate trust through which benefits for retirees are funded. The County has set an internal designation of \$4.5 million for this purpose; interest totaling \$99,726 had accrued as of September 30, 2014. The Sheriff's Department has no internal designation for OPEB.

**Annual OPEB Costs and Net OPEB Obligation**

The County's last actuarial valuation for the Plans was provided as of October 1, 2013. Based on these reports, the following table gives the components of the County's annual OPEB cost for the year, the County's contributions to the plan, and changes in the County's net OPEB obligation:

	<u>Agencies</u>	<u>Sheriff</u>	<u>Total</u>
ARC	\$ 4,491,069	\$ 7,773,072	\$ 12,264,141
Interest on OPEB Obligations	964,885	1,226,411	2,191,296
Adjustment to ARC	<u>(1,005,088)</u>	<u>(1,277,511)</u>	<u>(2,282,599)</u>
Annual OPEB Cost	4,450,866	7,721,972	12,172,838
Contributions Made	<u>(1,838,412)</u>	<u>(1,796,019)</u>	<u>(3,634,431)</u>
Increase in OPEB	2,612,454	5,925,953	8,538,407
Net OPEB Obligations			
Beginning of Year	<u>24,011,913</u>	<u>30,660,266</u>	<u>54,672,179</u>
End of Year	\$ <u>26,624,367</u>	\$ <u>36,586,219</u>	\$ <u>63,210,586</u>

**Martin County, Florida**  
**Notes to Financial Statements**  
**September 30, 2014**

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**Three Year Trend Information**

	Year Ended September 30	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
Agencies	2012	\$ 4,956,637	41.09%	\$ 20,423,396
	2013	\$ 5,228,626	31.36%	\$ 24,011,913
	2014	\$ 4,450,866	41.30%	\$ 26,624,367
Sheriff	2012	\$ 6,958,797	28.00%	\$ 25,374,538
	2013	\$ 7,329,139	27.88%	\$ 30,660,266
	2014	\$ 7,721,972	23.26%	\$ 36,586,219

The funded status of the Plans as of September 30, 2014 was as follows:

	Agencies	Sheriff	Total
Actuarial Accrued Liability (AAL)	\$ 59,463,166	\$ 94,262,746	\$ 153,725,912
Actuarial Value of Plan Assets	-	-	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ <u>59,463,166</u>	\$ <u>94,262,746</u>	\$ <u>153,725,912</u>
Covered Payroll	\$ 59,345,107	\$ 30,053,403	\$ 89,398,510
Ratio of UAAL to Covered Payroll	100.20%	313.65%	171.96%

**Valuation Methods and Assumptions**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Calculations for financial reporting purposes are based on the benefits provided under terms of the substantive plan (the plan as understood by the employer and the plan members) in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

**Martin County, Florida**  
**Notes to Financial Statements**  
**September 30, 2014**

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The Actuarial Methods for both plans are:

	<u>Pay-As-You-Go Funding</u>
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level % of Payroll, Closed
Remaining Amortization Period	24 Years
Asset Valuation Method	Unfunded
Actuarial Assumptions:	
Investment Rate of Return*	4%
Projected Salary Increases*	4% - 8.47%
Payroll Growth Assumptions	4%
Healthcare Cost Trend Rates**	8.5%

\* Includes general price inflation of 3%

\*\* For 2014 with a gradual annual decline to 5% in 2020 and thereafter

**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.

**Martin County, Florida**  
**Notes to Financial Statements**  
**September 30, 2014**

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

Accounts payable & accrued insurance claims at October 1, 2012	\$ 3,198,828
Expenses incurred	28,348,131
Claims paid	<u>(28,871,326)</u>
Accounts payable & accrued insurance claims at September 30, 2013	2,675,633
Expenses incurred	30,544,472
Claims paid	<u>(30,861,246)</u>
Accounts payable & accrued insurance claims at September 30, 2014	<u>\$ 2,358,859</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.

The County currently has outstanding encumbrances for the governmental funds, at September 30, 2014. These encumbrances include commitments for future expenditures, based on purchase orders or contracts, where the goods or services have been ordered but not received. These amounts are included with committed and assigned fund balances.

	Encumbrance:
Major Funds:	
General Fund	\$ 843,322
Consolidated Fire/EMS MSTU	163,057
CRA Trust	376,378
Other Governmental Funds:	\$ 3,599,809

**Martin County, Florida**  
**Notes to Financial Statements**  
**September 30, 2014**

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**Note 19 – Subsequent Events**

The Martin County Board of County Commissioners assumed control of the Martin County Golf and Country Club on January 1, 2015. The golf course will be reported as an Enterprise fund in the County’s financial statements. The full financial impact is unknown at this time.

In December 2014, the Board of County Commissioners borrowed \$23,135,000 in order to refund the Gas Tax Revenue Bonds, Series 2006. Gas Tax Refunding Revenue Note, Series 2014 with Bank of America results in a net present value savings of \$1.7 million. The 2006 Bonds had interest rates ranging from 3.75% to 5.00%, while the Refunding Note’s interest rate is 2.249%. The monies are currently being held in escrow and the 2006 bonds will be paid off in April 2016.

**Note 20 – Recently Issued and Implemented Accounting Pronouncements**

Recently issued and adopted accounting pronouncements

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement specifically addresses the calculation of a deferred outflow or inflow for the refunding of debt, requires that debt issuance costs be expensed in the period in which the debt was issued, and requires that revenue recorded in the governmental funds that is not available be classified as Unavailable Revenue (a deferred inflow). This statement was effective for periods beginning after December 15, 2012 and requires that the cumulative effect of applying this Statement should be reported as a restatement of beginning net position. The effects of implementing this statement results in the following restatements of net position.

	Governmental Activities	Water Utilities	Business-type Activities
Net position, previously reported	\$ 511,881,410	\$ 199,828,943	\$ 245,399,445
Adjustment to write-off debt issuance costs	(200,285)	(663,871)	(663,871)
Net position, restated	<u>\$ 511,681,125</u>	<u>\$ 199,165,072</u>	<u>\$ 244,735,574</u>

In March 2012 GASB issued Statement 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*, effective for financial statements for periods beginning after December 15, 2012. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This Statement amends Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type.

**Martin County, Florida**  
**Notes to Financial Statements**  
**September 30, 2014**

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As a result, governments should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments. This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate.

These changes clarify how to apply Statement No. 13, Accounting for Operating Leases with Scheduled Rent Increases, and result in guidance that is consistent with the requirements in Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues, respectively. The implementation of GASB 66 does not have any impact on the County's financial position or results of operations.

Recently issued accounting pronouncements

**GASBS 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27***, is effective for financial statements for periods beginning after June 15, 2014. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers. Statement No. 67, Financial Reporting for Pension Plans, revises existing standards of financial reporting for most pension plans. This Statement and Statement 67 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement—determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Note disclosure and required supplementary information requirements about pensions also are addressed. The County is required to implement this Statement in its fiscal year beginning October 1, 2014. The adoption of this Statement will require the County to record a liability for the unfunded portion of its cost sharing plan. The unfunded portion has not yet been determined.

**GASBS 69, *Government Combinations and Disposals of Government Operations***, is effective for financial statements for periods beginning after December 15, 2013. The primary objective of this Statement is to improve financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. The term *government combination* is used in this Statement to refer to a variety of arrangements including mergers and acquisitions. Government combinations also include transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. Transfers of operations may be present in shared service arrangements, reorganizations, redistricting, annexations, and arrangements in which an operation is transferred to a new government created to provide those services. The County is aware of this requirement and will assess its impact to ensure timely implementation.

**Martin County, Florida**  
**Notes to Financial Statements**  
**September 30, 2014**

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**GASBS 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date***, is effective for financial statements for periods beginning after June 15, 2014. The objective of this Statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68, *Accounting and Financial Reporting for Pensions*, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and non-employer contributing entities. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The County is aware of this requirement and will assess its impact to ensure timely implementation.

**GASBS 72, *Fair Value Measurement and Application***, is effective for reporting periods beginning after June 15, 2015. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is 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. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The County is aware of this statement and will assess its impact to ensure timely implementation.



**Martin County, Florida**  
**Required Supplementary Information (Unaudited)**  
**September 30, 2014**

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**Other Postemployment Benefits Plan**

	Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as Percentage Covered Payroll
Agencies:							
	10/1/2009	\$ -	\$ 60,811,586	\$ 60,811,586	0%	\$ 60,817,030	99.99%
	10/1/2011	\$ -	\$ 62,846,097	\$ 62,846,097	0%	\$ 57,391,433	109.50%
	10/1/2013	\$ -	\$ 59,463,166	\$ 59,463,166	0%	\$ 59,345,107	100.20%
Sheriff:							
	10/1/2009	\$ -	\$ 78,773,991	\$ 78,773,991	0%	\$ 36,011,668	218.75%
	10/1/2011	\$ -	\$ 85,444,571	\$ 85,444,571	0%	\$ 29,208,685	292.53%
	10/1/2013	\$ -	\$ 94,262,746	\$ 94,262,746	0%	\$ 30,053,903	313.65%



# COMBINING BALANCE SHEETS

**Martin County, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2014**

	<b>Special Revenue</b>					
	<b>Northern MSTU</b>	<b>Central MSTU</b>	<b>Southern MSTU</b>	<b>South Central MSTU</b>	<b>Western 1 MSTU</b>	<b>Western 2 MSTU</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 33,599	\$ 9,261	\$ 48,471	\$ 6,857	\$ 1,850	\$ 59
Investments	-	433,207	-	669,196	-	99,319
Accounts receivable	-	-	-	-	-	-
Assessments receivable	-	-	-	8,438	-	-
Due from other funds	-	-	-	-	-	-
Receivable from other governmental agencies	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Assets held for donation	-	-	-	-	-	-
Other current assets	-	-	-	1,500	-	-
Total assets	<u>\$ 33,599</u>	<u>\$ 442,468</u>	<u>\$ 48,471</u>	<u>\$ 685,991</u>	<u>\$ 1,850</u>	<u>\$ 99,378</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 4,480	757	9,774	1,850	\$ 2,750
Accrued wages payable	-	-	-	-	-	-
Contracts payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Due to other governmental agencies	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>4,480</u>	<u>757</u>	<u>9,774</u>	<u>1,850</u>	<u>2,750</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	-	-	-	8,438	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,438</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>						
<b>Nonspendable:</b>						
Inventories	-	-	-	-	-	-
Permanent fund principal	-	-	-	-	-	-
<b>Restricted for:</b>						
Bond covenants or debt service	-	-	-	-	-	-
Recreation projects	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Physical environment and transportation projects	-	-	-	-	-	-
Housing grants and other	-	-	-	-	-	-
Court operations	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Other restricted purpose	-	-	-	-	-	-
<b>Committed to:</b>						
Ordinance/MSTU	33,599	437,988	47,714	667,779	-	96,628
Ordinance/Judicial	-	-	-	-	-	-
Ordinance/Culture and recreation	-	-	-	-	-	-
<b>Assigned to:</b>						
Capital projects	-	-	-	-	-	-
Other assigned purposes	-	-	-	-	-	-
<b>Unassigned:</b>						
Total fund balances (deficit)	<u>33,599</u>	<u>437,988</u>	<u>47,714</u>	<u>667,779</u>	<u>-</u>	<u>96,628</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 33,599</u>	<u>\$ 442,468</u>	<u>\$ 48,471</u>	<u>\$ 685,991</u>	<u>\$ 1,850</u>	<u>\$ 99,378</u>

**Special Revenue**

<b>Unincorporated MSTUs</b>	<b>Other MSTUs</b>	<b>Federal Grants</b>	<b>Other State Grants</b>	<b>SHIP Housing</b>	<b>Local Grants</b>
\$ 490,113	\$ 1,573,129	\$ 81,177	\$ 2,213	\$ 57,748	\$ 146,963
10,545,148	6,930,195	-	-	311,769	1,251
3,754	834	-	-	-	-
-	373,004	-	-	-	-
-	-	-	-	-	-
75,103	-	1,138,028	1,635,691	-	156,187
-	-	-	-	-	-
-	-	280,491	-	-	-
175	8,415	21,047	-	-	-
<u>\$ 11,114,293</u>	<u>\$ 8,885,577</u>	<u>\$ 1,520,743</u>	<u>\$ 1,637,904</u>	<u>\$ 369,517</u>	<u>\$ 304,401</u>
51,963	496,269	365,166	231,213	14,909	83,106
118,085	47,075	8,012	1,640	-	4,702
-	10,083	67,074	65,653	-	-
-	-	800,000	1,300,000	-	-
-	602	-	-	-	-
-	18,201	-	-	-	-
<u>170,048</u>	<u>572,230</u>	<u>1,240,252</u>	<u>1,598,506</u>	<u>14,909</u>	<u>87,808</u>
-	373,004	-	208,603	-	-
-	373,004	-	208,603	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,394	280,491	-	354,608	216,593
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,983,410	7,937,949	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
960,835	-	-	-	-	-
-	-	-	(169,205)	-	-
<u>10,944,245</u>	<u>7,940,343</u>	<u>280,491</u>	<u>(169,205)</u>	<u>354,608</u>	<u>216,593</u>
<u>\$ 11,114,293</u>	<u>\$ 8,885,577</u>	<u>\$ 1,520,743</u>	<u>\$ 1,637,904</u>	<u>\$ 369,517</u>	<u>\$ 304,401</u>

(continued)

**Martin County, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2014**  
**(continued)**

	<b>Special Revenue</b>					
	<b>Other Impact Fees</b>	<b>Tranportation Impact Fees</b>	<b>Public Safety</b>	<b>Judicial</b>	<b>Economic Development</b>	<b>Culture and Recreation</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 452,929	\$ 94,429	\$ 12,988	\$ 665,681	\$ 173,160	\$ 7,919
Investments	3,244,243	1,781,296	1,817,909	232,582	3,084,174	603,331
Accounts receivable	-	-	97,406	-	-	-
Assessments receivable	-	-	-	-	-	-
Due from other funds	-	-	212	-	-	-
Receivable from other governmental agencies	26,707	20,758	256,970	-	-	-
Inventory	-	-	-	-	-	-
Assets held for donation	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total assets	<u>\$ 3,723,879</u>	<u>\$ 1,896,483</u>	<u>\$ 2,185,485</u>	<u>\$ 898,263</u>	<u>\$ 3,257,334</u>	<u>\$ 611,250</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 15,450	\$ 23,270	\$ 994,505	\$ 129,775	\$ 19,842	\$ 3,487
Accrued wages payable	-	-	2,709	-	1,770	-
Contracts payable	-	-	-	-	-	-
Due to other funds	-	-	35,197	-	-	-
Due to other governmental agencies	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>15,450</u>	<u>23,270</u>	<u>1,032,411</u>	<u>129,775</u>	<u>21,612</u>	<u>3,487</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>						
<b>Nonspendable:</b>						
Inventories	-	-	-	-	-	-
Permanent fund principal	-	-	-	-	-	-
<b>Restricted for:</b>						
Bond covenants or debt service	-	-	-	-	-	-
Recreation projects	1,744,144	-	-	-	-	-
Public Safety	1,467,081	-	1,153,074	-	-	-
Physical environment and transportation projects	-	-	-	-	-	-
Housing grants and other	-	-	-	-	-	-
Court operations	-	-	-	302,418	-	-
Capital projects	349,401	1,873,213	-	-	-	-
Other restricted purpose	147,803	-	-	-	3,235,722	-
<b>Committed to:</b>						
Ordinance/MSTU	-	-	-	-	-	-
Ordinance/Judicial	-	-	-	466,070	-	-
Ordinance/Culture and recreation	-	-	-	-	-	224,462
<b>Assigned to:</b>						
Capital projects	-	-	-	-	-	-
Other assigned purposes	-	-	-	-	-	383,301
<b>Unassigned:</b>						
Total fund balances (deficit)	<u>3,708,429</u>	<u>1,873,213</u>	<u>1,153,074</u>	<u>768,488</u>	<u>3,235,722</u>	<u>607,763</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 3,723,879</u>	<u>\$ 1,896,483</u>	<u>\$ 2,185,485</u>	<u>\$ 898,263</u>	<u>\$ 3,257,334</u>	<u>\$ 611,250</u>

Special Revenue			Debt Service			
Clerk Special Revenue	Sheriff Special Revenue	Total	General Obligation Bonds	Revenue Bonds	Bank Notes and Loans	Total
\$ 215,730	\$ 1,079,996	\$ 5,154,272	\$ 1,608	\$ 1,028,072	\$ 81,102	\$ 1,110,782
612,393	-	30,366,013	1,287,817	1,160,939	1,234,831	3,683,587
-	39,261	141,255	-	-	-	-
-	-	381,442	-	-	-	-
-	12,099	12,311	-	-	-	-
-	63,901	3,373,345	-	-	57,513	57,513
-	-	-	-	-	-	-
-	-	280,491	-	-	-	-
50,541	-	81,678	-	-	-	-
<u>\$ 878,664</u>	<u>\$ 1,195,257</u>	<u>\$ 39,790,807</u>	<u>\$ 1,289,425</u>	<u>\$ 2,189,011</u>	<u>\$ 1,373,446</u>	<u>\$ 4,851,882</u>
\$ 8,561	\$ 14,347	\$ 2,471,474	\$ -	\$ 2,591	\$ 12,759	\$ 15,350
5,260	-	189,253	-	-	-	-
-	-	142,810	-	-	21,500	21,500
-	97,764	2,232,961	-	-	-	-
-	-	602	-	-	-	-
-	-	18,201	-	-	-	-
<u>13,821</u>	<u>112,111</u>	<u>5,055,301</u>	<u>-</u>	<u>2,591</u>	<u>34,259</u>	<u>36,850</u>
-	-	590,045	-	-	-	-
-	-	590,045	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,289,425	2,186,420	1,339,187	4,815,032
-	-	1,744,144	-	-	-	-
-	1,083,146	3,703,301	-	-	-	-
-	-	-	-	-	-	-
-	-	854,086	-	-	-	-
864,843	-	1,167,261	-	-	-	-
-	-	2,222,614	-	-	-	-
-	-	3,383,525	-	-	-	-
-	-	19,205,067	-	-	-	-
-	-	466,070	-	-	-	-
-	-	224,462	-	-	-	-
-	-	-	-	-	-	-
-	-	1,344,136	-	-	-	-
-	-	(169,205)	-	-	-	-
<u>864,843</u>	<u>1,083,146</u>	<u>34,145,461</u>	<u>1,289,425</u>	<u>2,186,420</u>	<u>1,339,187</u>	<u>4,815,032</u>
<u>\$ 878,664</u>	<u>\$ 1,195,257</u>	<u>\$ 39,790,807</u>	<u>\$ 1,289,425</u>	<u>\$ 2,189,011</u>	<u>\$ 1,373,446</u>	<u>\$ 4,851,882</u>

(continued)

**Martin County, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2014**  
**(continued)**

	<b>Capital Projects</b>				<b>Permanent Fund</b>	<b>Total</b>
	<b>Recreation Projects</b>	<b>Transportation Road Projects</b>	<b>County Buildings</b>	<b>Total</b>	<b>Port Salerno Memorial Trust</b>	<b>Nonmajor Governmental Funds</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 25,896	\$ 1,242,885	\$ 31,760	\$ 1,300,541	\$ 608	\$ 7,566,203
Investments	10,168,707	6,509,433	5,737,255	22,415,395	40,075	56,505,070
Accounts receivable	12,252	536	-	12,788	-	154,043
Assessments receivable	-	88,618	-	88,618	-	470,060
Due from other funds	-	-	-	-	-	12,311
Receivable from other governmental agencies	-	1,595,375	-	1,595,375	-	5,026,233
Inventory	-	695,828	-	695,828	-	695,828
Assets held for donation	-	-	-	-	-	280,491
Other current assets	2,470	375	-	2,845	-	84,523
Total assets	<u>\$ 10,209,325</u>	<u>\$ 10,133,050</u>	<u>\$ 5,769,015</u>	<u>\$ 26,111,390</u>	<u>\$ 40,683</u>	<u>\$ 70,794,762</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Accounts payable	\$ 197,419	\$ 603,081	\$ 401,243	\$ 1,201,743	\$ -	\$ 3,688,567
Accrued wages payable	4,691	112,815	3,012	120,518	-	309,771
Contracts payable	6,105	22,820	-	28,925	-	193,235
Due to other funds	-	-	-	-	-	2,232,961
Due to other governmental agencies	60	-	-	60	-	662
Unearned revenue	-	-	-	-	-	18,201
Total liabilities	<u>208,275</u>	<u>738,716</u>	<u>404,255</u>	<u>1,351,246</u>	<u>-</u>	<u>6,443,397</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	-	88,618	-	88,618	-	678,663
Total deferred inflows of resources	<u>-</u>	<u>88,618</u>	<u>-</u>	<u>88,618</u>	<u>-</u>	<u>678,663</u>
<b>FUND BALANCES</b>						
<b>Nonspendable:</b>						
Inventories	-	695,828	-	695,828	-	695,828
Permanent fund principal	-	-	-	-	22,302	22,302
<b>Restricted for:</b>						
Bond covenants or debt service	-	-	-	-	-	4,815,032
Recreation projects	-	-	-	-	-	1,744,144
Public Safety	-	-	-	-	-	3,703,301
Physical environment and transportation projects	-	-	-	-	-	-
Housing grants and other	-	1,083,084	-	1,083,084	-	1,937,170
Court operations	-	-	-	-	-	1,167,261
Capital projects	7,967,370	7,526,804	79,484	15,573,658	-	17,796,272
Other restricted purpose	-	-	-	-	18,381	3,401,906
<b>Committed to:</b>						
Ordinance/MSTU	-	-	-	-	-	19,205,067
Ordinance/Judicial	-	-	-	-	-	466,070
Ordinance/Culture and recreation	-	-	-	-	-	224,462
<b>Assigned to:</b>						
Capital projects	2,033,680	-	-	2,033,680	-	2,033,680
Other assigned purposes	-	-	5,285,276	5,285,276	-	6,629,412
<b>Unassigned:</b>						
Total fund balances (deficit)	<u>10,001,050</u>	<u>9,305,716</u>	<u>5,364,760</u>	<u>24,671,526</u>	<u>40,683</u>	<u>63,672,702</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 10,209,325</u>	<u>\$ 10,133,050</u>	<u>\$ 5,769,015</u>	<u>\$ 26,111,390</u>	<u>\$ 40,683</u>	<u>\$ 70,794,762</u>



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, 2014**

	<b>Special Revenue</b>					
	<b>Northern MSTU</b>	<b>Central MSTU</b>	<b>Southern MSTU</b>	<b>South Central MSTU</b>	<b>Western 1 MSTU</b>	<b>Western 2 MSTU</b>
<b>REVENUES</b>						
Taxes	\$ 784	\$ 218	\$ 291	\$ 252	\$ -	\$ 42
Permits, fees and special assessments	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest income	351	2,362	1,057	3,707	223	938
Miscellaneous revenues	8,013	-	-	-	-	-
<b>Total revenues</b>	<b>9,148</b>	<b>2,580</b>	<b>1,348</b>	<b>3,959</b>	<b>223</b>	<b>980</b>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	33,089	8,400	1,850	2,750
Public safety	-	-	-	-	-	-
Physical environment	-	28,046	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	11,774	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	27,862
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other debt service cost	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>28,046</b>	<b>33,089</b>	<b>20,174</b>	<b>1,850</b>	<b>30,612</b>
Excess (deficiency) of revenues over (under) expenditures	9,148	(25,466)	(31,741)	(16,215)	(1,627)	(29,632)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	9,148	(25,466)	(31,741)	(16,215)	(1,627)	(29,632)
Fund balance (deficit) - beginning	24,451	463,454	79,455	683,994	1,627	126,260
Fund balance (deficit) - ending	<b>\$ 33,599</b>	<b>\$ 437,988</b>	<b>\$ 47,714</b>	<b>\$ 667,779</b>	<b>\$ -</b>	<b>\$ 96,628</b>

**Special Revenue**

<b>Unincorporated MSTUs</b>	<b>Other MSTUs</b>	<b>Federal Grants</b>	<b>Other State Grants</b>	<b>SHIP Housing</b>	<b>Local Grants</b>
\$ 938,808	\$ 7,408,851	\$ -	\$ -	\$ -	\$ -
3,580,878	81,151	-	-	-	-
666,454	5,013	3,443,885	3,835,318	-	1,223,577
891,745	613,760	-	-	-	-
309,187	-	-	-	-	-
42,649	63,734	-	49	1,340	1,722
169,930	104,137	79,517	-	87,465	-
<u>6,599,651</u>	<u>8,276,646</u>	<u>3,523,402</u>	<u>3,835,367</u>	<u>88,805</u>	<u>1,225,299</u>
2,048,986	153,755	723,297	19,744	-	91,750
3,292,444	-	95,526	120,096	-	229,195
-	2,899,803	124,597	130,149	-	801,642
-	1,351,809	313,669	586,334	-	-
-	-	237,780	-	172,111	-
-	-	363,356	18,280	-	41,495
-	853,869	-	33,601	-	470,395
168,899	767,144	1,562,156	4,124,632	-	11,535
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,510,329</u>	<u>6,026,380</u>	<u>3,420,381</u>	<u>5,032,836</u>	<u>172,111</u>	<u>1,646,012</u>
<u>1,089,322</u>	<u>2,250,266</u>	<u>103,021</u>	<u>(1,197,469)</u>	<u>(83,306)</u>	<u>(420,713)</u>
-	-	64,350	1,188,553	-	393,639
-	(1,130,492)	-	-	-	-
<u>-</u>	<u>(1,130,492)</u>	<u>64,350</u>	<u>1,188,553</u>	<u>-</u>	<u>393,639</u>
1,089,322	1,119,774	167,371	(8,916)	(83,306)	(27,074)
9,854,923	6,820,569	113,120	(160,289)	437,914	243,667
<u>\$ 10,944,245</u>	<u>\$ 7,940,343</u>	<u>\$ 280,491</u>	<u>\$ (169,205)</u>	<u>\$ 354,608</u>	<u>\$ 216,593</u>

(continued)

**Martin County, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2014**  
**(continued)**

	<b>Special Revenue</b>					
	<b>Other Impact Fees</b>	<b>Transportation Impact Fees</b>	<b>Public Safety</b>	<b>Judicial</b>	<b>Economic Development</b>	<b>Culture and Recreation</b>
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ 7,031,619	\$ -	\$ 1,678,707	\$ -
Permits, fees and special assessments	1,272,298	560,180	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-
Charges for services	-	-	782,581	980,357	-	-
Fines and forfeitures	-	-	6,828	-	-	-
Interest income	28,178	15,743	20,481	7,048	2,643	3,509
Miscellaneous revenues	-	16,750	172,721	5,702	54,698	-
<b>Total revenues</b>	<b>1,300,476</b>	<b>592,673</b>	<b>8,014,230</b>	<b>993,107</b>	<b>1,736,048</b>	<b>3,509</b>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	213,810	1,516,974	109,715	25,026
Public safety	9,406	-	3,437,010	-	-	-
Physical environment	56,028	-	-	-	-	-
Transportation	-	3,982	-	-	-	-
Economic environment	-	-	-	-	810,833	-
Human services	-	-	3,910,601	-	-	-
Culture and recreation	2,431	-	-	-	-	26,236
Capital outlay	2,335,270	132,424	-	3,761	5,067	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other debt service cost	-	-	-	-	-	-
<b>Total expenditures</b>	<b>2,403,135</b>	<b>136,406</b>	<b>7,561,421</b>	<b>1,520,735</b>	<b>925,615</b>	<b>51,262</b>
Excess (deficiency) of revenues over (under) expenditures	(1,102,659)	456,267	452,809	(527,628)	810,433	(47,753)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	155,482	817,923	709,313	-
Transfers out	(399,481)	(790,793)	(558,190)	(328,674)	-	-
<b>Total other financing sources (uses)</b>	<b>(399,481)</b>	<b>(790,793)</b>	<b>(402,708)</b>	<b>489,249</b>	<b>709,313</b>	<b>-</b>
Net change in fund balances	(1,502,140)	(334,526)	50,101	(38,379)	1,519,746	(47,753)
Fund balance (deficit) - beginning	5,210,569	2,207,739	1,102,973	806,867	1,715,976	655,516
Fund balance (deficit) - ending	<b>\$ 3,708,429</b>	<b>\$ 1,873,213</b>	<b>\$ 1,153,074</b>	<b>\$ 768,488</b>	<b>\$ 3,235,722</b>	<b>\$ 607,763</b>

Special Revenue			Debt Service			
Clerk Special Revenue	Sheriff Special Revenue	Total	General Obligation Bonds	Revenue Bonds	Bank Notes and Loans	Total
\$ -	\$ -	\$ 17,059,572	\$ 612,631	\$ -	\$ 489,107	\$ 1,101,738
-	-	5,494,507	-	-	-	-
-	263,744	9,437,991	-	434,974	1,388,802	1,823,776
337,212	455,796	4,061,451	-	-	-	-
219,335	150,971	686,321	-	-	-	-
-	796	196,530	10,469	24,390	17,177	52,036
-	274,900	973,833	-	-	-	-
<u>556,547</u>	<u>1,146,207</u>	<u>37,910,205</u>	<u>623,100</u>	<u>459,364</u>	<u>1,895,086</u>	<u>2,977,550</u>
289,551	824,389	6,063,086	12,271	-	1,189	13,460
-	541,081	7,724,758	-	-	-	-
-	-	4,040,265	-	-	-	-
-	-	2,255,794	-	-	-	-
-	-	1,220,724	-	-	-	-
-	-	4,345,506	-	-	-	-
-	-	1,386,532	-	-	-	-
-	83,378	9,222,128	-	-	-	-
-	-	-	545,000	4,755,000	2,667,937	7,967,937
-	-	-	64,930	1,289,336	831,935	2,186,201
-	-	-	1,988	5,378	7,773	15,139
<u>289,551</u>	<u>1,448,848</u>	<u>36,258,793</u>	<u>624,189</u>	<u>6,049,714</u>	<u>3,508,834</u>	<u>10,182,737</u>
266,996	(302,641)	1,651,412	(1,089)	(5,590,350)	(1,613,748)	(7,205,187)
-	457,198	3,786,458	-	3,152,890	1,817,351	4,970,241
-	(155,482)	(3,363,112)	(118,132)	-	-	(118,132)
<u>-</u>	<u>301,716</u>	<u>423,346</u>	<u>(118,132)</u>	<u>3,152,890</u>	<u>1,817,351</u>	<u>4,852,109</u>
266,996	(925)	2,074,758	(119,221)	(2,437,460)	203,603	(2,353,078)
597,847	1,084,071	32,070,703	1,408,646	4,623,880	1,135,584	7,168,110
<u>\$ 864,843</u>	<u>\$ 1,083,146</u>	<u>\$ 34,145,461</u>	<u>\$ 1,289,425</u>	<u>\$ 2,186,420</u>	<u>\$ 1,339,187</u>	<u>\$ 4,815,032</u>

(continued)

**Martin County, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2014**  
**(continued)**

	<b>Capital Projects</b>				<b>Permanent Fund</b>	<b>Total</b>
	<b>Recreation Projects</b>	<b>Transportation Road Projects</b>	<b>County Buildings</b>	<b>Total</b>	<b>Port Salerno Memorial Trust</b>	<b>Nonmajor Governmental Funds</b>
<b>REVENUES</b>						
Taxes	\$ 1,690,736	\$ 7,432,831	\$ 2,489,948	\$ 11,613,515	\$ -	\$ 29,774,825
Permits, fees and special assessments	62,790	381,060	125,580	569,430	-	6,063,937
Intergovernmental revenues	24,940	2,568,747	151,752	2,745,439	-	14,007,206
Charges for services	-	362,081	-	362,081	-	4,423,532
Fines and forfeitures	-	-	156,209	156,209	-	842,530
Interest income	69,625	56,166	24,580	150,371	200	399,137
Miscellaneous revenues	191,635	732,387	48,733	972,755	-	1,946,588
<b>Total revenues</b>	<b>2,039,726</b>	<b>11,533,272</b>	<b>2,996,802</b>	<b>16,569,800</b>	<b>200</b>	<b>57,457,755</b>
<b>EXPENDITURES</b>						
Current:						
General government	59,463	50,083	597,194	706,740	-	6,783,286
Public safety	-	-	111,265	111,265	-	7,836,023
Physical environment	975,175	-	119,555	1,094,730	-	5,134,995
Transportation	-	8,215,079	27	8,215,106	-	10,470,900
Economic environment	-	-	-	-	-	1,220,724
Human services	-	-	-	-	-	4,345,506
Culture and recreation	921	-	329,224	330,145	-	1,716,677
Capital outlay	2,459,040	2,355,046	789,794	5,603,880	-	14,826,008
Debt service:						
Principal	-	-	-	-	-	7,967,937
Interest	-	-	-	-	-	2,186,201
Other debt service cost	-	-	-	-	-	15,139
<b>Total expenditures</b>	<b>3,494,599</b>	<b>10,620,208</b>	<b>1,947,059</b>	<b>16,061,866</b>	<b>-</b>	<b>62,503,396</b>
Excess (deficiency) of revenues over (under) expenditures	(1,454,873)	913,064	1,049,743	507,934	200	(5,045,641)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	130,000	-	130,000	-	8,886,699
Transfers out	(469,034)	(2,474,469)	(237,000)	(3,180,503)	-	(6,661,747)
<b>Total other financing sources (uses)</b>	<b>(469,034)</b>	<b>(2,344,469)</b>	<b>(237,000)</b>	<b>(3,050,503)</b>	<b>-</b>	<b>2,224,952</b>
Net change in fund balances	(1,923,907)	(1,431,405)	812,743	(2,542,569)	200	(2,820,689)
Fund balance (deficit) - beginning	11,924,957	10,737,121	4,552,017	27,214,095	40,483	66,493,391
Fund balance (deficit) - ending	\$ 10,001,050	\$ 9,305,716	\$ 5,364,760	\$ 24,671,526	\$ 40,683	\$ 63,672,702

**SCHEDULES OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL**

**Martin County, Florida**  
**Non Major Special Revenue Funds**  
**Northern MSTU**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ 784	\$ 784
Interest income	-	-	351	351
Miscellaneous revenues	8,013	8,013	8,013	-
Total revenues	<u>8,013</u>	<u>8,013</u>	<u>9,148</u>	<u>1,135</u>
<b>EXPENDITURES:</b>				
Capital outlay	8,013	32,464	-	32,464
Total expenditures	<u>8,013</u>	<u>32,464</u>	<u>-</u>	<u>32,464</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(24,451)</u>	<u>9,148</u>	<u>33,599</u>
Net change in fund balances	-	(24,451)	9,148	<u>\$ 33,599</u>
Fund balances - beginning	-	24,451	24,451	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,599</u>	



**Martin County, Florida**  
**Non Major Special Revenue Funds**  
**Central MSTU**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ 218	\$ 218
Interest income	3,000	3,000	2,362	(638)
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>2,580</u>	<u>(420)</u>
<b>EXPENDITURES:</b>				
Current:				
Physical environment	-	-	28,046	(28,046)
Capital outlay	3,000	466,455	-	466,455
Total expenditures	<u>3,000</u>	<u>466,455</u>	<u>28,046</u>	<u>438,409</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(463,455)</u>	<u>(25,466)</u>	<u>437,989</u>
Net change in fund balances	-	(463,455)	(25,466)	<u>\$ 437,989</u>
Fund balances - beginning	-	463,455	463,454	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 437,988</u>	

**Martin County, Florida**  
**Non Major Special Revenue Funds**  
**Southern MSTU**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ 291	\$ 291
Interest income	-	-	1,057	1,057
Total revenues	<u>-</u>	<u>-</u>	<u>1,348</u>	<u>1,348</u>
<b>EXPENDITURES:</b>				
Current:				
General government	27,715	29,215	33,089	(3,874)
Capital outlay	-	50,240	-	50,240
Total expenditures	<u>27,715</u>	<u>79,455</u>	<u>33,089</u>	<u>46,366</u>
Deficiency of revenues under expenditures	<u>(27,715)</u>	<u>(79,455)</u>	<u>(31,741)</u>	<u>47,714</u>
Net change in fund balances	(27,715)	(79,455)	(31,741)	<u>\$ 47,714</u>
Fund balances - beginning	27,715	79,455	79,455	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,714</u>	

**Martin County, Florida**  
**Non Major Special Revenue Funds**  
**South Central MSTU**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ 252	\$ 252
Interest income	7,000	7,000	3,707	(3,293)
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>3,959</u>	<u>(3,041)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	1,500	8,400	(6,900)
Human services	11,774	11,774	11,774	-
Capital outlay	-	677,720	-	677,720
Total expenditures	<u>11,774</u>	<u>690,994</u>	<u>20,174</u>	<u>670,820</u>
Deficiency of revenues under expenditures	<u>(4,774)</u>	<u>(683,994)</u>	<u>(16,215)</u>	<u>667,779</u>
Net change in fund balances	(4,774)	(683,994)	(16,215)	<u>\$ 667,779</u>
Fund balances - beginning	<u>4,774</u>	<u>683,994</u>	<u>683,994</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 667,779</u>	

**Martin County, Florida**  
**Non Major Special Revenue Funds**  
**Western 1 MSTU**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Interest income	\$ -	\$ -	\$ 223	\$ 223
Total revenues	<u>-</u>	<u>-</u>	<u>223</u>	<u>223</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	1,850	(1,850)
Capital outlay	-	1,628	-	1,628
Total expenditures	<u>-</u>	<u>1,628</u>	<u>1,850</u>	<u>(222)</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(1,628)</u>	<u>(1,627)</u>	<u>1</u>
Net change in fund balances	-	(1,628)	(1,627)	<u>\$ 1</u>
Fund balances - beginning	-	1,628	1,627	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

**Martin County, Florida**  
**Non Major Special Revenue Funds**  
**Western 2 MSTU**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ 42	\$ 42
Interest income	2,000	2,000	938	(1,062)
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>980</u>	<u>(1,020)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	118,000	2,750	115,250
Capital outlay	2,000	10,260	27,862	(17,602)
Total expenditures	<u>2,000</u>	<u>128,260</u>	<u>30,612</u>	<u>97,648</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(126,260)</u>	<u>(29,632)</u>	<u>96,628</u>
Net change in fund balances	-	(126,260)	(29,632)	<u>\$ 96,628</u>
Fund balances - beginning	-	126,260	126,260	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,628</u>	

**Martin County, Florida**  
**Non Major Special Revenue Funds**  
**Unincorporated MSTUs**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 1,000,000	\$ 1,000,000	\$ 938,808	\$ (61,192)
Permits, fees and special assessments	2,865,000	3,565,000	3,580,878	15,878
Intergovernmental revenues	642,029	642,029	666,454	24,425
Charges for services	813,000	813,000	891,745	78,745
Fines and forfeitures	156,100	276,100	309,187	33,087
Interest income	95,000	95,000	42,649	(52,351)
Miscellaneous revenues	176,700	176,700	169,930	(6,770)
Statutory budget reduction	(110,000)	(110,000)	-	110,000
Total revenues	<u>5,637,829</u>	<u>6,457,829</u>	<u>6,599,651</u>	<u>141,822</u>
<b>EXPENDITURES:</b>				
Current:				
General government	2,308,646	2,588,600	2,048,986	539,614
Public safety	4,128,678	4,137,668	3,292,444	845,224
Capital outlay	47,087	51,187	168,899	(117,712)
Total expenditures	<u>6,484,411</u>	<u>6,777,455</u>	<u>5,510,329</u>	<u>1,267,126</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(846,582)</u>	<u>(319,626)</u>	<u>1,089,322</u>	<u>1,408,948</u>
<b>OTHER FINANCING USES:</b>				
Reserves	<u>(7,227,179)</u>	<u>(9,535,298)</u>	<u>-</u>	<u>9,535,298</u>
Total other financing uses	<u>(7,227,179)</u>	<u>(9,535,298)</u>	<u>-</u>	<u>9,535,298</u>
Net change in fund balances	<u>(8,073,761)</u>	<u>(9,854,924)</u>	<u>1,089,322</u>	<u>\$ 10,944,246</u>
Fund balances - beginning	<u>8,073,761</u>	<u>9,854,924</u>	<u>9,854,923</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,944,245</u>	

**Martin County, Florida**  
**Non Major Special Revenue Funds**  
**Other MSTUs**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 7,266,972	\$ 7,266,972	\$ 7,408,851	\$ 141,879
Permits, fees and special assessments	70,000	325,260	81,151	(244,109)
Intergovernmental revenues	2,900	2,900	5,013	2,113
Charges for services	525,200	565,200	613,760	48,560
Interest income	64,634	64,634	63,734	(900)
Miscellaneous revenues	51,000	69,000	104,137	35,137
Statutory budget reduction	(39,000)	(39,000)	-	39,000
Total revenues	<u>7,941,706</u>	<u>8,254,966</u>	<u>8,276,646</u>	<u>21,680</u>
<b>EXPENDITURES:</b>				
Current:				
General government	141,437	149,507	153,755	(4,248)
Physical environment	2,924,854	3,082,254	2,899,803	182,451
Transportation	1,825,081	2,854,046	1,351,809	1,502,237
Culture and recreation	2,355,515	2,511,315	853,869	1,657,446
Capital outlay	252,454	1,372,041	767,144	604,897
Total expenditures	<u>7,499,341</u>	<u>9,969,163</u>	<u>6,026,380</u>	<u>3,942,783</u>
Excess (deficiency) of revenues over (under) expenditures	<u>442,365</u>	<u>(1,714,197)</u>	<u>2,250,266</u>	<u>3,964,463</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	(730,000)	(1,134,294)	(1,130,492)	3,802
Reserves	(781,058)	(3,970,077)	-	3,970,077
Total other financing uses	<u>(1,511,058)</u>	<u>(5,104,371)</u>	<u>(1,130,492)</u>	<u>3,973,879</u>
Net change in fund balances	(1,068,693)	(6,818,568)	1,119,774	<u>\$ 7,938,342</u>
Fund balances - beginning	<u>1,068,693</u>	<u>6,818,568</u>	<u>6,820,569</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,940,343</u>	

**Martin County, Florida**  
**Non Major Special Revenue Funds**  
**Federal Grants**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 507,230	\$ 10,966,592	\$ 3,443,885	\$ (7,522,707)
Miscellaneous revenues	-	-	79,517	79,517
Total revenues	<u>507,230</u>	<u>10,966,592</u>	<u>3,523,402</u>	<u>(7,443,190)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	358,229	2,236,251	723,297	1,512,954
Public safety	-	255,012	95,526	159,486
Physical environment	-	214,612	124,597	90,015
Transportation	-	3,002,145	313,669	2,688,476
Economic environment	42,297	729,030	237,780	491,250
Human services	106,704	755,229	363,356	391,873
Capital outlay	-	3,954,855	1,562,156	2,392,699
Total expenditures	<u>507,230</u>	<u>11,147,134</u>	<u>3,420,381</u>	<u>7,726,753</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(180,542)</u>	<u>103,021</u>	<u>283,563</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	67,422	64,350	(3,072)
Total other financing sources	<u>-</u>	<u>67,422</u>	<u>64,350</u>	<u>(3,072)</u>
Net change in fund balances	-	(113,120)	167,371	<u>\$ 280,491</u>
Fund balances (deficit) - beginning	-	113,120	113,120	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 280,491</u>	



**Martin County, Florida**  
**Non Major Special Revenue Funds**  
**Other State Grants**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 620,097	\$ 6,064,289	\$ 3,835,318	\$ (2,228,971)
Interest income	-	250	49	(201)
Total revenues	<u>620,097</u>	<u>6,064,539</u>	<u>3,835,367</u>	<u>(2,229,172)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	38,320	19,744	18,576
Public safety	64,097	190,232	120,096	70,136
Physical environment	-	585,713	130,149	455,564
Transportation	-	2,023,263	586,334	1,436,929
Human services	-	6,000	18,280	(12,280)
Culture and recreation	-	69,061	33,601	35,460
Capital outlay	1,112,000	5,447,547	4,124,632	1,322,915
Total expenditures	<u>1,176,097</u>	<u>8,360,136</u>	<u>5,032,836</u>	<u>3,327,300</u>
Deficiency of revenues under expenditures	<u>(556,000)</u>	<u>(2,295,597)</u>	<u>(1,197,469)</u>	<u>1,098,128</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	<u>556,000</u>	<u>2,295,248</u>	<u>1,188,553</u>	<u>(1,106,695)</u>
Total other financing sources	<u>556,000</u>	<u>2,295,248</u>	<u>1,188,553</u>	<u>(1,106,695)</u>
Net change in fund balances	-	(349)	(8,916)	<u>\$ (8,567)</u>
Fund balances (deficit) - beginning	-	349	(160,289)	
Fund balances (deficit) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (169,205)</u>	

**Martin County, Florida**  
**Non Major Special Revenue Funds**  
**SHIP Housing**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ -	\$ 393,461	\$ -	\$ (393,461)
Interest income	-	2,000	1,340	(660)
Miscellaneous revenues	-	-	87,465	87,465
Total revenues	-	395,461	88,805	(306,656)
<b>EXPENDITURES:</b>				
Current:				
Economic environment	-	439,914	172,111	267,803
Total expenditures	-	439,914	172,111	267,803
Deficiency of revenues under expenditures	-	(44,453)	(83,306)	(38,853)
Net change in fund balances	-	(44,453)	(83,306)	<u>\$ (38,853)</u>
Fund balances - beginning	-	44,453	437,914	
Fund balances - ending	\$ -	\$ -	\$ 354,608	

**Martin County, Florida**  
**Non Major Special Revenue Funds**  
**Local Grants**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 164,927	\$ 2,588,195	\$ 1,223,577	\$ (1,364,618)
Interest income	-	2,000	1,722	(278)
Total revenues	<u>164,927</u>	<u>2,590,195</u>	<u>1,225,299</u>	<u>(1,364,896)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	100,000	91,750	8,250
Public safety	164,927	801,407	229,195	572,212
Physical environment	-	886,538	801,642	84,896
Human services	-	375,241	41,495	333,746
Culture and recreation	-	860,900	470,395	390,505
Capital outlay	-	-	11,535	(11,535)
Total expenditures	<u>164,927</u>	<u>3,024,086</u>	<u>1,646,012</u>	<u>1,378,074</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(433,891)</u>	<u>(420,713)</u>	<u>13,178</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	393,639	393,639	-
Total other financing sources	<u>-</u>	<u>393,639</u>	<u>393,639</u>	<u>-</u>
Net change in fund balances	-	(40,252)	(27,074)	<u>\$ 13,178</u>
Fund balances - beginning	-	40,252	243,667	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 216,593</u>	

**Martin County, Florida**  
**Non Major Special Revenue Funds**  
**Other Impact Fees**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Permits, fees and special assessments	\$ 605,000	\$ 605,000	\$ 1,272,298	\$ 667,298
Interest income	6,000	6,000	28,178	22,178
Statutory budget reduction	(2,000)	(2,000)	-	2,000
Total revenues	<u>609,000</u>	<u>609,000</u>	<u>1,300,476</u>	<u>691,476</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	99,639	-	99,639
Public safety	30,000	30,000	9,406	20,594
Physical environment	-	-	56,028	(56,028)
Culture and recreation	-	-	2,431	(2,431)
Capital outlay	117,395	3,666,519	2,335,270	1,331,249
Total expenditures	<u>147,395</u>	<u>3,796,158</u>	<u>2,403,135</u>	<u>1,393,023</u>
Deficiency of revenues under expenditures	<u>461,605</u>	<u>(3,187,158)</u>	<u>(1,102,659)</u>	<u>2,084,499</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	(248,000)	(478,294)	(399,481)	78,813
Reserves	(519,000)	(1,545,112)	-	1,545,112
Total other financing uses	<u>(767,000)</u>	<u>(2,023,406)</u>	<u>(399,481)</u>	<u>1,623,925</u>
Net change in fund balances	(305,395)	(5,210,564)	(1,502,140)	<u>\$ 3,708,424</u>
Fund balances - beginning	<u>305,395</u>	<u>5,210,564</u>	<u>5,210,569</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,708,429</u>	

**Martin County, Florida**  
**Non Major Special Revenue Funds**  
**Transportation Impact Fees**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Permits, fees and special assessments	\$ 588,483	\$ 588,483	\$ 560,180	\$ (28,303)
Interest income	11,100	11,100	15,743	4,643
Miscellaneous revenues	-	-	16,750	16,750
Total revenues	<u>599,583</u>	<u>599,583</u>	<u>592,673</u>	<u>(6,910)</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	3,920	3,920	3,982	(62)
Capital outlay	42,340	73,084	132,424	(59,340)
Total expenditures	<u>46,260</u>	<u>77,004</u>	<u>136,406</u>	<u>(59,402)</u>
Excess of revenues over expenditures	<u>553,323</u>	<u>522,579</u>	<u>456,267</u>	<u>(66,312)</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	-	(790,793)	(790,793)	-
Reserves	(578,983)	(1,939,526)	-	1,939,526
Total other financing uses	<u>(578,983)</u>	<u>(2,730,319)</u>	<u>(790,793)</u>	<u>1,939,526</u>
Net change in fund balances	(25,660)	(2,207,740)	(334,526)	\$ <u>1,873,214</u>
Fund balances - beginning	<u>25,660</u>	<u>2,207,740</u>	<u>2,207,739</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,873,213</u>	

**Martin County, Florida**  
**Non Major Special Revenue Funds**  
**Public Safety**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 6,900,481	\$ 6,900,481	\$ 7,031,619	\$ 131,138
Charges for services	889,604	835,537	782,581	(52,956)
Fines and forfeitures	58,500	58,500	6,828	(51,672)
Interest income	26,400	26,400	20,481	(5,919)
Miscellaneous revenues	19,000	19,000	172,721	153,721
Statutory budget reduction	(3,400)	(3,400)	-	3,400
Total revenues	<u>7,890,585</u>	<u>7,836,518</u>	<u>8,014,230</u>	<u>177,712</u>
<b>EXPENDITURES:</b>				
Current:				
General government	265,230	265,241	213,810	51,431
Public safety	3,052,816	3,506,583	3,437,010	69,573
Human services	3,840,036	3,910,347	3,910,601	(254)
Debt service:				
Principal	5,510	-	-	-
Interest	3,749	-	-	-
Total expenditures	<u>7,167,341</u>	<u>7,682,171</u>	<u>7,561,421</u>	<u>120,750</u>
Excess of revenues over expenditures	<u>723,244</u>	<u>154,347</u>	<u>452,809</u>	<u>298,462</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	155,482	155,482
Transfers out	(722,709)	(588,379)	(558,190)	30,189
Reserves	(149,617)	(668,941)	-	668,941
Total other financing sources (uses)	<u>(872,326)</u>	<u>(1,257,320)</u>	<u>(402,708)</u>	<u>854,612</u>
Net change in fund balances	(149,082)	(1,102,973)	50,101	\$ 1,153,074
Fund balances - beginning	149,082	1,102,973	1,102,973	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,153,074</u>	

**Martin County, Florida**  
**Non Major Special Revenue Funds**  
**Judicial**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 1,076,549	\$ 1,076,549	\$ 980,357	\$ (96,192)
Interest income	7,125	7,125	7,048	(77)
Miscellaneous revenues	-	-	5,702	5,702
Total revenues	<u>1,083,674</u>	<u>1,083,674</u>	<u>993,107</u>	<u>(90,567)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	1,400,500	1,948,413	1,516,974	431,439
Capital outlay	-	-	3,761	(3,761)
Debt service:				
Principal	195,595	-	-	-
Interest	133,079	-	-	-
Total expenditures	<u>1,729,174</u>	<u>1,948,413</u>	<u>1,520,735</u>	<u>427,678</u>
Deficiency of revenues under expenditures	<u>(645,500)</u>	<u>(864,739)</u>	<u>(527,628)</u>	<u>337,111</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	3,420,860	3,450,131	817,923	(2,632,208)
Transfers out	(2,757,060)	(3,115,005)	(328,674)	2,786,331
Reserves	(18,300)	(277,255)	-	277,255
Total other financing sources (uses)	<u>645,500</u>	<u>57,871</u>	<u>489,249</u>	<u>431,378</u>
Net change in fund balances	-	(806,868)	(38,379)	<u>\$ 768,489</u>
Fund balances - beginning	-	806,868	806,867	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 768,488</u>	

**Martin County, Florida**  
**Non Major Special Revenue Funds**  
**Economic Development**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 1,560,000	\$ 1,560,000	\$ 1,678,707	\$ 118,707
Interest income	3,000	3,000	2,643	(357)
Miscellaneous revenues	-	-	54,698	54,698
Statutory budget reduction	(61,674)	(61,674)	-	61,674
Total revenues	<u>1,501,326</u>	<u>1,501,326</u>	<u>1,736,048</u>	<u>234,722</u>
<b>EXPENDITURES:</b>				
Current:				
General government	500,000	1,073,361	109,715	963,646
Economic environment	1,221,639	2,623,938	810,833	1,813,105
Human services	-	16,381	-	16,381
Capital outlay	-	-	5,067	(5,067)
Total expenditures	<u>1,721,639</u>	<u>3,713,680</u>	<u>925,615</u>	<u>2,788,065</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(220,313)</u>	<u>(2,212,354)</u>	<u>810,433</u>	<u>3,022,787</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	923,063	709,313	709,313	-
Transfers out	(59,000)	(59,000)	-	59,000
Reserves	(643,750)	-	-	-
Total other financing sources (uses)	<u>220,313</u>	<u>650,313</u>	<u>709,313</u>	<u>59,000</u>
Net change in fund balances	-	(1,562,041)	1,519,746	<u>\$ 3,081,787</u>
Fund balances - beginning	-	1,562,041	1,715,976	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,235,722</u>	



**Martin County, Florida**  
**Non Major Special Revenue Funds**  
**Culture and Recreation**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Interest income	\$ -	\$ -	\$ 3,509	\$ 3,509
Total revenues	<u>-</u>	<u>-</u>	<u>3,509</u>	<u>3,509</u>
<b>EXPENDITURES:</b>				
Current:				
General government	25,000	241,326	25,026	216,300
Culture and recreation	47,000	47,000	26,236	20,764
Capital outlay	-	9,119	-	9,119
Total expenditures	<u>72,000</u>	<u>297,445</u>	<u>51,262</u>	<u>246,183</u>
Deficiency of revenues under expenditures	<u>(72,000)</u>	<u>(297,445)</u>	<u>(47,753)</u>	<u>249,692</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Reserves	-	(358,070)	-	358,070
Total other financing sources (uses)	<u>-</u>	<u>(358,070)</u>	<u>-</u>	<u>358,070</u>
Net change in fund balances	(72,000)	(655,515)	(47,753)	<u>\$ 607,762</u>
Fund balances - beginning	72,000	655,515	655,516	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 607,763</u>	

**Martin County, Florida**  
**Non Major Special Revenue Funds**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Clerk Special Revenue**  
**For the Year Ended September 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Charges for services	\$ 428,362	\$ 428,362	\$ 337,212	\$ (91,150)
Fines and forfeitures	201,861	201,861	219,335	17,474
Total revenues	<u>630,223</u>	<u>630,223</u>	<u>556,547</u>	<u>(73,676)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	514,361	514,361	289,551	224,810
Capital outlay	-	-	-	-
Total expenditures	<u>514,361</u>	<u>514,361</u>	<u>289,551</u>	<u>224,810</u>
Excess of revenues over expenditures	<u>115,862</u>	<u>115,862</u>	<u>266,996</u>	<u>151,134</u>
<b>OTHER FINANCING USES:</b>				
Reserves	(619,557)	(687,222)	-	687,222
Total other financing uses	<u>(619,557)</u>	<u>(687,222)</u>	<u>-</u>	<u>687,222</u>
Net change in fund balances	(503,695)	(571,360)	266,996	<u>\$ 838,356</u>
Fund balances - beginning	-	-	597,847	
Fund balances - ending	<u>\$ (503,695)</u>	<u>\$ (571,360)</u>	<u>\$ 864,843</u>	

**Martin County, Florida**  
**Non Major Debt Service Funds**  
**General Obligation Bonds**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 600,500	\$ 600,500	\$ 612,631	\$ 12,131
Interest income	12,000	12,000	10,469	(1,531)
Total revenues	<u>612,500</u>	<u>612,500</u>	<u>623,100</u>	<u>10,600</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	12,271	(12,271)
Debt service:				
Principal	545,000	545,000	545,000	-
Interest	64,930	64,930	64,930	-
Other debt service cost	7,200	7,200	1,988	5,212
Total expenditures	<u>617,130</u>	<u>617,130</u>	<u>624,189</u>	<u>(7,059)</u>
Deficiency of revenues under expenditures	<u>(4,630)</u>	<u>(4,630)</u>	<u>(1,089)</u>	<u>3,541</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(30,000)	(141,000)	(118,132)	22,868
Reserves	-	<u>(1,257,074)</u>	-	<u>1,257,074</u>
Total other financing sources (uses)	<u>(30,000)</u>	<u>(1,398,074)</u>	<u>(118,132)</u>	<u>1,279,942</u>
Net change in fund balances	(34,630)	(1,402,704)	(119,221)	<u>\$ 1,283,483</u>
Fund balances - beginning	34,630	1,402,704	1,408,646	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,289,425</u>	

**Martin County, Florida**  
**Non Major Debt Service Funds**  
**Revenue Bonds**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 470,000	\$ 470,000	\$ 434,974	\$ (35,026)
Interest income	34,000	34,000	24,390	(9,610)
Total revenues	<u>504,000</u>	<u>504,000</u>	<u>459,364</u>	<u>(44,636)</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	3,735,000	4,722,481	4,755,000	(32,519)
Interest	1,312,676	1,312,676	1,289,336	23,340
Other debt service cost	58,085	58,085	5,378	52,707
Total expenditures	<u>5,105,761</u>	<u>6,093,242</u>	<u>6,049,714</u>	<u>43,528</u>
Deficiency of revenues under expenditures	<u>(4,601,761)</u>	<u>(5,589,242)</u>	<u>(5,590,350)</u>	<u>(1,108)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	2,296,644	3,152,890	3,152,890	-
Reserves	(11,743)	(2,184,006)	-	2,184,006
Total other financing sources (uses)	<u>2,284,901</u>	<u>968,884</u>	<u>3,152,890</u>	<u>2,184,006</u>
Net change in fund balances	(2,316,860)	(4,620,358)	(2,437,460)	\$ 2,182,898
Fund balances - beginning	<u>2,316,860</u>	<u>4,620,358</u>	<u>4,623,880</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,186,420</u>	

**Martin County, Florida**  
**Non Major 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, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 490,000	\$ 490,000	\$ 489,107	\$ (893)
Intergovernmental revenues	1,836,290	1,699,290	1,388,802	(310,488)
Interest income	11,500	11,500	17,177	5,677
Total revenues	<u>2,337,790</u>	<u>2,200,790</u>	<u>1,895,086</u>	<u>(305,704)</u>
<b>EXPENDITURES:</b>				
General government	-	-	1,189	(1,189)
Debt service:				
Principal	2,631,596	2,907,082	2,667,937	239,145
Interest	823,696	1,011,131	831,935	179,196
Other debt service cost	18,600	18,600	7,773	10,827
Total expenditures	<u>3,473,892</u>	<u>3,936,813</u>	<u>3,508,834</u>	<u>427,979</u>
Deficiency of revenues under expenditures	<u>(1,136,102)</u>	<u>(1,736,023)</u>	<u>(1,613,748)</u>	<u>122,275</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,602,000	2,295,215	1,817,351	(477,864)
Reserves	<u>(512,199)</u>	<u>(1,695,799)</u>	<u>-</u>	<u>1,695,799</u>
Total other financing sources (uses)	<u>1,089,801</u>	<u>599,416</u>	<u>1,817,351</u>	<u>1,217,935</u>
Net change in fund balances	(46,301)	(1,136,607)	203,603	<u>\$ 1,340,210</u>
Fund balances - beginning	46,301	1,136,607	1,135,584	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,339,187</u>	

**Martin County, Florida**  
**Non Major Capital Projects Funds**  
**Recreation Projects**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 1,659,081	\$ 1,659,081	\$ 1,690,736	\$ 31,655
Permits, fees and special assessments	55,000	55,000	62,790	7,790
Intergovernmental revenues	-	22,048	24,940	2,892
Interest income	121,713	121,713	69,625	(52,088)
Miscellaneous revenues	160,300	160,300	191,635	31,335
Statutory budget reduction	(2,500)	(2,500)	-	2,500
Total revenues	<u>1,993,594</u>	<u>2,015,642</u>	<u>2,039,726</u>	<u>24,084</u>
<b>EXPENDITURES:</b>				
Current:				
General government	42,543	60,868	59,463	1,405
Physical environment	951,813	2,485,905	975,175	1,510,730
Culture and recreation	-	-	921	(921)
Capital outlay	3,650,802	6,254,646	2,459,040	3,795,606
Total expenditures	<u>4,645,158</u>	<u>8,801,419</u>	<u>3,494,599</u>	<u>5,306,820</u>
Deficiency of revenues under expenditures	<u>(2,651,564)</u>	<u>(6,785,777)</u>	<u>(1,454,873)</u>	<u>5,330,904</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	-	(470,652)	(469,034)	1,618
Reserves	(1,141,952)	(4,666,361)	-	4,666,361
Total other financing uses	<u>(1,141,952)</u>	<u>(5,137,013)</u>	<u>(469,034)</u>	<u>4,667,979</u>
Net change in fund balances	(3,793,516)	(11,922,790)	(1,923,907)	<u>\$ 9,998,883</u>
Fund balances - beginning	<u>3,793,516</u>	<u>11,922,790</u>	<u>11,924,957</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,001,050</u>	

**Martin County, Florida**  
**Non Major Capital Projects Funds**  
**Transportation Road Projects**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 6,986,522	\$ 6,986,522	\$ 7,432,831	\$ 446,309
Permits, fees and special assessments	265,000	265,000	381,060	116,060
Intergovernmental revenues	2,504,000	2,504,000	2,568,747	64,747
Charges for services	350,737	361,594	362,081	487
Interest income	125,000	125,000	56,166	(68,834)
Miscellaneous revenues	266,000	375,143	732,387	357,244
Statutory budget reduction	(254,000)	(254,000)	-	254,000
Total revenues	<u>10,243,259</u>	<u>10,363,259</u>	<u>11,533,272</u>	<u>1,170,013</u>
<b>EXPENDITURES:</b>				
Current:				
General government	49,768	52,592	50,083	2,509
Transportation	8,418,540	11,764,186	8,215,079	3,549,107
Capital outlay	941,709	3,835,049	2,355,046	1,480,003
Total expenditures	<u>9,410,017</u>	<u>15,651,827</u>	<u>10,620,208</u>	<u>5,031,619</u>
Excess (deficiency) of revenues over (under) expenditures	<u>833,242</u>	<u>(5,288,568)</u>	<u>913,064</u>	<u>6,201,632</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	130,000	130,000	130,000	-
Transfers out	(2,299,000)	(3,578,817)	(2,474,469)	1,104,348
Reserves	(130,734)	(1,245,075)	-	1,245,075
Total other financing sources (uses)	<u>(2,299,734)</u>	<u>(4,693,892)</u>	<u>(2,344,469)</u>	<u>2,349,423</u>
Net change in fund balances	(1,466,492)	(9,982,460)	(1,431,405)	<u>\$ 8,551,055</u>
Fund balances - beginning	1,466,492	9,982,460	10,737,121	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,305,716</u>	

**Martin County, Florida**  
**Non Major Capital Projects Funds**  
**County Buildings Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 2,442,178	\$ 2,442,178	\$ 2,489,948	\$ 47,770
Permits, fees and special assessments	77,565	77,565	125,580	48,015
Intergovernmental revenues	145,000	145,000	151,752	6,752
Fines and forfeitures	133,000	133,000	156,209	23,209
Interest income	45,000	45,000	24,580	(20,420)
Miscellaneous revenues	18,000	47,734	48,733	999
Statutory budget reduction	(19,750)	(19,750)	-	19,750
Total revenues	<u>2,840,993</u>	<u>2,870,727</u>	<u>2,996,802</u>	<u>126,075</u>
<b>EXPENDITURES:</b>				
Current:				
General government	320,047	381,419	597,194	(215,775)
Public safety	8,963	8,963	111,265	(102,302)
Physical environment	115,351	412,029	119,555	292,474
Transportation	-	-	27	(27)
Culture and recreation	7,150	10,689	329,224	(318,535)
Capital outlay	2,465,637	4,451,845	789,794	3,662,051
Total expenditures	<u>2,917,148</u>	<u>5,264,945</u>	<u>1,947,059</u>	<u>3,317,886</u>
Deficiency of revenues under expenditures	<u>(76,155)</u>	<u>(2,394,218)</u>	<u>1,049,743</u>	<u>3,443,961</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(137,000)	(272,000)	(237,000)	35,000
Reserves	(130,258)	(1,885,799)	-	1,885,799
Total other financing sources (uses)	<u>(267,258)</u>	<u>(2,157,799)</u>	<u>(237,000)</u>	<u>1,920,799</u>
Net change in fund balances	(343,413)	(4,552,017)	812,743	\$ <u>5,364,760</u>
Fund balances - beginning	<u>343,413</u>	<u>4,552,017</u>	<u>4,552,017</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,364,760</u>	



**INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS**

**Martin County, Florida**  
**Internal Service Funds**  
**Combining Statement of Net Position**  
**September 30, 2014**

	<b>Self- Insurance</b>	<b>Vehicle Maintenance</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,755,021	\$ 265,703	\$ 2,020,724
Restricted cash and cash equivalents	393,500	-	393,500
Investments	3,312,097	1,439,510	4,751,607
Accounts receivable, net	730,871	1,725	732,596
Due from other funds	458,254	13,316	471,570
Receivable from other governmental agencies	-	2,325	2,325
Inventory	-	173,656	173,656
Other current assets	1,296,577	-	1,296,577
<b>Total current assets</b>	<u>7,946,320</u>	<u>1,896,235</u>	<u>9,842,555</u>
Noncurrent assets:			
Equipment	-	3,535,118	3,535,118
Less accumulated depreciation	-	(2,336,441)	(2,336,441)
<b>Capital assets, net</b>	<u>-</u>	<u>1,198,677</u>	<u>1,198,677</u>
<b>Total noncurrent assets</b>	<u>-</u>	<u>1,198,677</u>	<u>1,198,677</u>
<b>Total assets</b>	<u>\$ 7,946,320</u>	<u>\$ 3,094,912</u>	<u>\$ 11,041,232</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued claims	\$ 2,651,476	\$ 160,263	\$ 2,811,739
Accrued wages payable	-	10,258	10,258
<b>Total current liabilities</b>	<u>2,651,476</u>	<u>170,521</u>	<u>2,821,997</u>
Noncurrent liabilities:			
Accrued compensated absences	-	56,920	56,920
<b>Total noncurrent liabilities</b>	<u>-</u>	<u>56,920</u>	<u>56,920</u>
<b>Total liabilities</b>	<u>2,651,476</u>	<u>227,441</u>	<u>2,878,917</u>
<b>NET POSITION</b>			
Net investment in capital assets	-	1,198,677	1,198,677
Unrestricted	5,294,844	1,668,794	6,963,638
<b>Total net position</b>	<u>\$ 5,294,844</u>	<u>\$ 2,867,471</u>	<u>\$ 8,162,315</u>

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

**Martin County, Florida**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Year Ended September 30, 2014**

	<b>Self- Insurance</b>	<b>Vehicle Maintenance</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 29,933,116	\$ 1,471,496	\$ 31,404,612
Miscellaneous	2,622,615	4,737	2,627,352
Total operating revenues	<u>32,555,731</u>	<u>1,476,233</u>	<u>34,031,964</u>
<b>OPERATING EXPENSES</b>			
Salaries and related expenses	-	485,841	485,841
General and administrative and claims	31,867,161	581,226	32,448,387
Depreciation and amortization	-	544,295	544,295
Total operating expenses	<u>31,867,161</u>	<u>1,611,362</u>	<u>33,478,523</u>
Operating income (loss)	<u>688,570</u>	<u>(135,129)</u>	<u>553,441</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest income	34,059	8,381	42,440
Gain (loss) on disposition of capital assets	(1,220)	67,760	66,540
Other expense	(724)	-	(724)
Total nonoperating revenues	<u>32,115</u>	<u>76,141</u>	<u>108,256</u>
Change in net position	720,685	(58,988)	661,697
Total net position-beginning	<u>4,574,159</u>	<u>2,926,459</u>	<u>7,500,618</u>
<b>Total net position-ending</b>	<u><u>\$ 5,294,844</u></u>	<u><u>\$ 2,867,471</u></u>	<u><u>\$ 8,162,315</u></u>

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

**Martin County, Florida**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended September 30, 2014**

	<b>Self- Insurance</b>	<b>Vehicle Maintenance</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 29,446,758	\$ 1,493,560	\$ 30,940,318
Payments to suppliers	(67,467)	(557,210)	(624,677)
Payments to employees	-	(493,720)	(493,720)
Claims paid	(33,137,267)	-	(33,137,267)
Other receipts	(1,225,261)	4,737	(1,220,524)
Net cash provided by (used for) operating activities	<u>(4,983,237)</u>	<u>447,367</u>	<u>(4,535,870)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of capital assets	-	(365,553)	(365,553)
Proceeds from sales of assets	-	67,992	67,992
Net cash used for capital and related financing activities	<u>-</u>	<u>(297,561)</u>	<u>(297,561)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of investments	(6,741,155)	(178,417)	(6,919,572)
Proceeds from sales and maturities of investments	11,113,267	-	11,113,267
Interest earned	34,059	8,381	42,440
Net cash provided by (used for) investing activities	<u>4,406,171</u>	<u>(170,036)</u>	<u>4,236,135</u>
<b>Change in cash and cash equivalents</b>	<b>(577,066)</b>	<b>(20,230)</b>	<b>(597,296)</b>
Cash and cash equivalents - beginning of the year	2,725,587	285,933	3,011,520
<b>Cash and cash equivalents - end of year</b>	<u>\$ 2,148,521</u>	<u>\$ 265,703</u>	<u>\$ 2,414,224</u>
<b>Cash and cash equivalents - unrestricted</b>	<b>\$ 1,755,021</b>	<b>\$ 265,703</b>	<b>\$ 2,020,724</b>
<b>Cash and cash equivalents - restricted</b>	<b>393,500</b>	<b>-</b>	<b>393,500</b>
<b>Cash and cash equivalents - end of year</b>	<u>\$ 2,148,521</u>	<u>\$ 265,703</u>	<u>\$ 2,414,224</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	\$ 688,570	\$ (135,129)	\$ 553,441
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	-	544,295	544,295
Change in assets and liabilities:			
Receivables, net	(605,073)	41,646	(563,427)
Inventories	-	(24,884)	(24,884)
Other current assets	(1,292,577)	-	(1,292,577)
Due from other funds	-	(520)	(520)
Receivable from other governmental agencies	-	938	938
Accounts payable and accrued claims	(24,157)	48,900	24,743
Due to other funds	(3,750,000)	(20,000)	(3,770,000)
Accrued wages payable	-	(448)	(448)
Accrued compensated absences	-	(7,431)	(7,431)
Net cash provided by (used for) operating activities	<u>\$ (4,983,237)</u>	<u>\$ 447,367</u>	<u>\$ (4,535,870)</u>

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

COMBINING STATEMENTS OF  
FIDUCIARY NET POSITION

**Martin County, Florida**  
**Combining Statement of Fiduciary Net Position**  
**Private Purpose Trust Funds**  
**As of September 30, 2014**

	<b>Private Purpose Trust</b>			
	<b>Indiantown Community Trust</b>	<b>Annie Meyers Trust</b>	<b>D. Slosberg Education Trust</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 56	\$ 5,891	\$ 93,196	\$ 99,143
Investments	1,003,169	386,785	-	1,389,954
Total assets	<u>1,003,225</u>	<u>392,676</u>	<u>93,196</u>	<u>1,489,097</u>
<b>LIABILITIES</b>				
Deposit from Indiantown Cogeneration LP	1,000,000	-	-	1,000,000
Total liabilities	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
<b>NET POSITION</b>				
Held in trust	<u>\$ 3,225</u>	<u>\$ 392,676</u>	<u>\$ 93,196</u>	<u>\$ 489,097</u>
Total net position	<u>\$ 3,225</u>	<u>\$ 392,676</u>	<u>\$ 93,196</u>	<u>\$ 489,097</u>

**Martin County, Florida**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Private Purpose Trust Funds**  
**For the Year Ended September 30, 2014**

	<b>Private Purpose Trust</b>			<b>Total</b>
	<b>Indiantown Community Trust</b>	<b>Annie Meyers Trust</b>	<b>D. Slosberg Education Trust</b>	
<b>ADDITIONS:</b>				
Fines and forfeitures	\$ -	\$ -	\$ 85,973	\$ 85,973
Interest income	5,069	1,925	86	7,080
Total additions	<u>5,069</u>	<u>1,925</u>	<u>86,059</u>	<u>93,053</u>
<b>DEDUCTIONS:</b>				
Economic Environment	12,000	-	-	12,000
Human services	-	-	79,884	79,884
Total deductions	<u>12,000</u>	<u>-</u>	<u>79,884</u>	<u>91,884</u>
Change in net position	(6,931)	1,925	6,175	1,169
Net position - beginning	10,156	390,751	87,021	487,928
Net position - ending	<u>\$ 3,225</u>	<u>\$ 392,676</u>	<u>\$ 93,196</u>	<u>\$ 489,097</u>

**Martin County, Florida**  
**Combining Statement of Fiduciary Net Position**  
**Agency Funds**  
**As of September 30, 2014**

	<b>Agency Funds</b>				
	<b>Board of County Commissioners</b>	<b>Clerk</b>	<b>Sheriff</b>	<b>Tax Collector</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 732,831	\$ 4,302,867	\$ 220,180	\$ 3,499,304	\$ 8,755,182
Investments	-	193,334	-	-	193,334
Accounts receivable, net	118	-	-	-	118
Total assets	<u>\$ 732,949</u>	<u>\$ 4,496,201</u>	<u>\$ 220,180</u>	<u>\$ 3,499,304</u>	<u>\$ 8,948,634</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 1,168	\$ -	\$ -	\$ -	\$ 1,168
Due to other governmental agencies	87,622	667,598	-	3,499,304	4,254,524
Deposits from individuals	644,159	3,828,603	220,180	-	4,692,942
Total liabilities	<u>\$ 732,949</u>	<u>\$ 4,496,201</u>	<u>\$ 220,180</u>	<u>\$ 3,499,304</u>	<u>\$ 8,948,634</u>



**STATEMENTS OF CHANGES IN ASSETS  
AND LIABILITIES ~ AGENCY FUNDS**

**Martin County, Florida**  
**Statement of Changes in Assets and Liabilities - Agency Funds**  
**For the Year Ended September 30, 2014**

<b>Board of County Commissioners</b>	Balance 10/1/2013	Additions	Deletions	Balance 9/30/2014
<b>ASSETS</b>				
Cash and cash equivalents	\$ 706,165	\$ 2,797,521	\$ 2,770,855	\$ 732,831
Accounts receivable, net	-	118	-	118
Total assets	<u>\$ 706,165</u>	<u>\$ 2,797,639</u>	<u>\$ 2,770,855</u>	<u>\$ 732,949</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 416	\$ 2,662,253	\$ 2,661,501	\$ 1,168
Due to other governmental agencies	257,310	2,486,249	2,655,937	87,622
Deposits	448,439	475,853	280,133	644,159
Total liabilities	<u>\$ 706,165</u>	<u>\$ 5,624,355</u>	<u>\$ 5,597,571</u>	<u>\$ 732,949</u>

<b>Clerk of the Circuit Court</b>	Balance 10/1/2013	Additions	Deletions	Balance 9/30/2014
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,737,392	\$ 45,908,081	\$ 45,342,606	\$ 4,302,867
Investments	486,334	112,000	405,000	193,334
Total assets	<u>\$ 4,223,726</u>	<u>\$ 46,020,081</u>	<u>\$ 45,747,606</u>	<u>\$ 4,496,201</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 51,884	\$ 82,336	\$ 134,220	\$ -
Due to other governmental agencies	545,157	22,230,313	22,107,872	667,598
Deposits	3,626,685	26,143,322	25,941,404	3,828,603
Total liabilities	<u>\$ 4,223,726</u>	<u>\$ 48,455,971</u>	<u>\$ 48,183,496</u>	<u>\$ 4,496,201</u>

<b>Sheriff</b>	Balance 10/1/2013	Additions	Deletions	Balance 9/30/2014
<b>ASSETS</b>				
Cash and cash equivalents	\$ 229,886	\$ 1,694,634	\$ 1,704,340	\$ 220,180
Total assets	<u>\$ 229,886</u>	<u>\$ 1,694,634</u>	<u>\$ 1,704,340</u>	<u>\$ 220,180</u>
<b>LIABILITIES</b>				
Deposits	\$ 229,886	\$ 1,694,634	\$ 1,704,340	\$ 220,180
Total liabilities	<u>\$ 229,886</u>	<u>\$ 1,694,634</u>	<u>\$ 1,704,340</u>	<u>\$ 220,180</u>

**Martin County, Florida**  
**Statement of Changes in Assets and Liabilities - Agency Funds**  
**For the Year Ended September 30, 2013**

<b>Tax Collector</b>	Balance 10/1/2013	Additions	Deletions	Balance 9/30/2014
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,686,224	\$ 350,970,810	\$ 350,157,730	\$ 3,499,304
Investments	1,337	1,434	2,771	-
Total assets	<u>\$ 2,687,561</u>	<u>\$ 350,972,244</u>	<u>\$ 350,160,501</u>	<u>\$ 3,499,304</u>
<b>LIABILITIES</b>				
Due to other governmental agencies	\$ 2,687,561	\$ 350,972,244	\$ 350,160,501	\$ 3,499,304
Total liabilities	<u>\$ 2,687,561</u>	<u>\$ 350,972,244</u>	<u>\$ 350,160,501</u>	<u>\$ 3,499,304</u>

<b>All Agency Funds</b>	Balance 10/1/2013	Additions	Deletions	Balance 9/30/2014
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,359,667	\$ 401,371,046	\$ 399,975,531	\$ 8,755,182
Investments	487,671	113,434	407,771	193,334
Accounts receivable, net	-	118	-	118
Total assets	<u>\$ 7,847,338</u>	<u>\$ 401,484,598</u>	<u>\$ 400,383,302</u>	<u>\$ 8,948,634</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 52,300	\$ 2,744,589	\$ 2,795,721	\$ 1,168
Due to other governmental agencies	3,490,028	375,688,806	374,924,310	4,254,524
Deposits	4,305,010	28,313,809	27,925,877	4,692,942
Total liabilities	<u>\$ 7,847,338</u>	<u>\$ 406,747,204</u>	<u>\$ 405,645,908</u>	<u>\$ 8,948,634</u>



**STATISTICAL SECTION**  
**Martin County, Florida**  
**Date of Incorporation: August 5, 1925**  
**Area: 557 square miles**  
**Form of Government: Constitutional County**

**TABLE OF CONTENTS**

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

	<u>Page</u>
<b>Financial Trends</b>	<b>120-130</b>
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have well-being have changed over time.	
<b>Revenue Capacity</b>	<b>131-137</b>
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	
<b>Debt Capacity</b>	<b>138-145</b>
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.	
<b>Demographic and Economic Information</b>	<b>146-149</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
<b>Operating Information</b>	<b>150-154</b>
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	

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

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

(Unaudited)

	Fiscal Year			
	2005	2006	2007	2008
Governmental activities:				
Net investment in capital assets	\$ 238,799,388	\$ 293,096,499	\$ 323,285,142	\$ 363,061,304
Restricted	78,524,723	93,640,775	58,115,252	54,365,501
Unrestricted	62,955,466	49,351,368	88,757,908	71,615,424
Total governmental activities net position	<u>\$ 380,279,577</u>	<u>\$ 436,088,642</u>	<u>\$ 470,158,302</u>	<u>\$ 489,042,229</u>
Business-type activities:				
Net investment in capital assets	\$ 129,015,977	\$ 145,781,721	\$ 164,226,742	\$ 169,993,283
Restricted	25,678,829	21,867,995	18,742,299	16,969,305
Unrestricted	(285,022)	1,793,689	16,788,662	19,866,254
Total business-type activities net position	<u>\$ 154,409,784</u>	<u>\$ 169,443,405</u>	<u>\$ 199,757,703</u>	<u>\$ 206,828,842</u>
Primary government:				
Net investment in capital assets	\$ 367,815,365	\$ 438,878,220	\$ 487,511,884	\$ 533,054,587
Restricted	104,203,552	115,508,770	76,857,551	71,334,806
Unrestricted	62,670,444	51,145,057	105,546,570	91,481,678
Total primary government net position	<u>\$ 534,689,361</u>	<u>\$ 605,532,047</u>	<u>\$ 669,916,005</u>	<u>\$ 695,871,071</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.

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

(Unaudited)

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 401,091,434	\$ 423,920,870	\$ 443,867,274	\$ 455,689,546	\$ 468,253,663	\$ 573,142,960
56,309,902	61,231,245	64,668,738	49,233,278	40,952,468	30,472,560
44,695,821	25,183,731	10,307,726	9,402,189	2,474,994	(436,758)
<u>\$ 502,097,157</u>	<u>\$ 510,335,846</u>	<u>\$ 518,843,738</u>	<u>\$ 514,325,013</u>	<u>\$ 511,681,125</u> <sup>1</sup>	<u>\$ 603,178,762</u>
\$ 166,408,357	\$ 183,191,186	\$ 187,939,987	\$ 189,187,557	\$ 189,663,805	\$ 192,874,195
21,888,414	18,078,560	17,339,739	15,410,319	17,329,053	17,165,609
17,512,980	19,265,265	30,780,359	35,970,624	37,742,716	39,510,994
<u>\$ 205,809,751</u>	<u>\$ 220,535,011</u>	<u>\$ 236,060,085</u>	<u>\$ 240,568,500</u>	<u>\$ 244,735,574</u> <sup>1</sup>	<u>\$ 249,550,798</u>
\$ 567,499,791	\$ 607,112,056	\$ 631,807,261	\$ 644,877,103	\$ 657,917,468	\$ 766,017,155
78,198,316	79,309,805	82,008,477	64,643,597	58,281,521	47,638,169
62,208,801	44,448,996	41,088,085	45,372,813	40,217,710	39,074,236
<u>\$ 707,906,908</u>	<u>\$ 730,870,857</u>	<u>\$ 754,903,823</u>	<u>\$ 754,893,513</u>	<u>\$ 756,416,699</u> <sup>1</sup>	<u>\$ 852,729,560</u>

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

(Unaudited)

	Fiscal Year			
	2005	2006	2007	2008
<b>EXPENSES</b>				
Governmental activities:				
General government	\$ 71,720,077	\$ 69,512,107	\$ 64,892,053	\$ 69,828,371
Public safety	87,008,551	94,487,086	103,154,574	112,916,302
Physical environment	8,226,985	10,335,180	7,251,088	6,276,628
Transportation	23,998,937	18,067,754	42,472,852	13,673,736
Economic environment	2,424,964	8,104,113	4,320,966	3,623,839
Human services	7,063,113	7,005,171	7,958,050	7,315,689
Culture and recreation	14,570,742	15,293,212	15,789,695	15,605,767
Interest and fiscal charges on long-term debt	2,873,559	4,413,174	1,214,530	4,028,883
Total governmental activities expenses	<u>217,886,928</u>	<u>227,217,797</u>	<u>247,053,808</u>	<u>233,269,215</u>
Business-type activities:				
Water	13,658,766	14,121,543	14,472,169	15,153,931
Sewer	10,734,913	11,094,021	11,371,534	12,398,439
Solid waste	25,830,220	19,094,715	13,815,521	17,035,268
Airport	1,731,724	2,077,627	2,358,247	1,873,143
Total business-type activities expenses	<u>51,955,623</u>	<u>46,387,906</u>	<u>42,017,471</u>	<u>46,460,781</u>
Total primary government expenses	<u>\$ 269,842,551</u>	<u>\$ 273,605,703</u>	<u>\$ 289,071,279</u>	<u>\$ 279,729,996</u>
<b>PROGRAM REVENUES</b>				
Governmental activities:				
Charges for services:				
General government	\$ 22,688,722	\$ 20,795,387	\$ 18,789,444	\$ 17,357,537
Public safety	6,167,277	7,082,675	7,518,286	7,286,100
Transportation	7,581,380	7,037,013	6,663,149	2,987,234
Other functions	4,712,346	4,949,665	2,702,597	1,900,646
Operating grants and contributions	40,129,096	34,568,965	11,711,975	11,880,813
Capital grants and contributions	11,703,211	24,469,296	23,927,789	7,480,373
Total governmental activities program revenues	<u>92,982,032</u>	<u>98,903,001</u>	<u>71,313,240</u>	<u>48,892,703</u>
Business-type activities:				
Charges for services:				
Water	13,647,402	14,426,708	14,190,735	13,108,937
Sewer	10,638,445	11,353,891	11,250,799	10,899,813
Solid waste	20,798,173	18,890,849	18,221,959	18,295,549
Airport	1,183,797	1,178,796	1,233,597	1,221,056
Operating grants and contributions	302,602	182,627	3,315,027	426,697
Capital grants and contributions	10,735,615	10,687,079	14,785,256	9,357,721
Total business-type activities program revenues	<u>57,306,034</u>	<u>56,719,950</u>	<u>62,997,373</u>	<u>53,309,773</u>
Total primary government program revenue:	<u>\$ 150,288,066</u>	<u>\$ 155,622,951</u>	<u>\$ 134,310,613</u>	<u>\$ 102,202,476</u>
<b>NET(EXPENSE)/REVENUE</b>				
Governmental activities	\$ (124,904,896)	\$ (128,314,796)	\$ (175,740,568)	\$ (184,376,512)
Business-type activities	5,350,411	10,332,044	20,979,902	6,848,992
Total primary government net expense	<u>\$ (119,554,485)</u>	<u>\$ (117,982,752)</u>	<u>\$ (154,760,666)</u>	<u>\$ (177,527,520)</u>



(Unaudited)

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 61,022,490	\$ 58,667,145	\$ 54,489,193	\$ 55,797,878	\$ 53,243,618	\$ 55,399,076
113,241,448	111,208,121	108,996,520	104,159,303	106,614,868	110,538,801
9,441,166	14,556,868	10,327,845	23,977,349 <sup>3</sup>	8,293,187	12,681,511
13,445,714	14,341,631	17,535,762	18,182,000	17,402,883	19,847,299
2,122,446	3,668,861	6,674,344	5,057,207	3,454,795	2,241,285
6,005,960	6,340,577	5,905,930	6,647,376	5,742,721	6,480,653
14,870,393	12,686,086	12,742,588	15,770,474	15,097,211	15,905,736
3,653,846	3,755,255	3,531,028	3,577,768	3,476,236 <sup>5</sup>	2,714,578
<u>223,803,463</u>	<u>225,224,544</u>	<u>220,203,210</u>	<u>233,169,355</u>	<u>213,325,519</u>	<u>225,808,939</u>
16,604,555	17,388,583	16,903,345	16,603,897	16,405,476 <sup>5</sup>	16,536,794
13,585,001	13,660,097	13,277,709	13,581,633	13,485,814	13,530,843
16,060,443	15,608,470	15,861,973	16,956,387	18,067,481	18,953,186
2,049,220	3,274,081	3,683,694	2,761,332	3,090,273	2,639,790
48,299,219	49,931,231	49,726,721	49,903,249	51,049,044	51,660,613
<u>\$ 272,102,682</u>	<u>\$ 275,155,775</u>	<u>\$ 269,929,931</u>	<u>\$ 283,072,604</u>	<u>\$ 264,374,563</u>	<u>\$ 277,469,552</u>
\$ 12,789,737	\$ 10,913,935	\$ 10,903,520	\$ 13,513,244	\$ 15,605,608	\$ 15,873,094
7,208,834	7,147,671	7,326,092	7,619,775	8,278,237	8,605,980
1,296,957	2,591,808	983,698	1,400,437	1,760,747	1,703,188
1,153,497	1,399,646	1,567,683	2,734,700	2,776,286	2,594,932
14,512,405	26,638,326	23,947,900	20,574,927	13,608,735	12,680,230
13,457,280	14,572,526	6,814,476	3,878,355	4,745,994	5,889,876 <sup>4</sup>
<u>50,418,710</u>	<u>63,263,912</u>	<u>51,543,369</u>	<u>49,721,438</u>	<u>46,775,607</u>	<u>47,347,300</u>
13,792,441	14,827,930	15,766,854	15,464,604	15,510,118	16,389,530
11,281,436	11,650,516	12,388,242	12,652,858	12,690,097	13,409,616
17,425,217	17,198,006	17,340,000	18,052,982	18,722,135	19,521,540
1,078,130	1,133,102	1,430,592	1,419,352	1,472,235	1,507,636
1,247,834	3,648,891	2,463,727	2,094,671	913,661	421,894
4,751,825	13,648,056	13,541,422	1,881,065	4,429,938	2,577,450
49,576,883	62,106,501	62,930,837	51,565,532	53,738,184	53,827,666
<u>\$ 99,995,593</u>	<u>\$ 125,370,413</u>	<u>\$ 114,474,206</u>	<u>\$ 101,286,970</u>	<u>\$ 100,513,791</u>	<u>\$ 101,174,966</u>
\$ (173,384,753)	\$ (161,960,632)	\$ (168,659,841)	\$ (183,447,917)	\$ (166,549,912)	\$ (178,461,639)
1,277,664	12,175,270	13,204,116	1,662,283	2,689,140	2,167,053
<u>\$ (172,107,089)</u>	<u>\$ (149,785,362)</u>	<u>\$ (155,455,725)</u>	<u>\$ (181,785,634)</u>	<u>\$ (163,860,772)</u>	<u>\$ (176,294,586)</u>

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

(Unaudited)

	Fiscal Year			
	2005	2006	2007	2008
<b>GENERAL REVENUES AND OTHER</b>				
<b>CHANGES IN NET ASSETS</b>				
Governmental activities:				
Taxes:				
Property taxes, levied for general purposes	\$ 115,004,180	\$ 124,310,354	\$ 152,719,901	\$ 146,519,809
Property taxes, levied for debt service	5,544,702	5,512,036	2,356,629	3,271,749
Sales taxes	23,866,690	24,644,210	31,474,538	31,949,759
Communications taxes & other taxes	2,764,905	4,892,221	1,930,357	2,090,626
Contributions not restricted to specific programs <sup>2</sup>	4,310,027	4,590,163	4,451,997	4,138,122
Investment earnings	4,842,105	10,260,520	12,074,308	5,962,687
Miscellaneous	11,729,935	9,686,328	4,802,498	6,339,749
Gain (Loss) on disposition of capital assets	-	-	-	-
Special item - Capital Contribution Veterans Memorial Bridge	-	-	-	-
Restatement	1,846,684	-	-	-
Transfers	-	-	-	2,987,938
Total governmental activities	<u>169,909,228</u>	<u>183,895,832</u>	<u>209,810,228</u>	<u>203,260,439</u>
Business-type activities:				
Investment earnings	2,424,373	3,361,636	3,401,982	1,936,839
Miscellaneous	1,271,494	1,339,941	1,410,528	1,273,246
Gain (loss) on disposition of capital assets	-	-	-	-
Extraordinary item - loss on disposition of capital asset	-	-	-	-
Restatement	-	-	-	-
Transfers	-	-	-	(2,987,938)
Total business-type activities	<u>3,695,867</u>	<u>4,701,577</u>	<u>4,812,510</u>	<u>222,147</u>
Total primary government <sup>1</sup>	<u>\$ 173,605,095</u>	<u>\$ 188,597,409</u>	<u>\$ 214,622,738</u>	<u>\$ 203,482,586</u>
<b>CHANGES IN NET POSITION<sup>1</sup></b>				
Governmental activities	\$ 45,004,332	\$ 55,581,036	\$ 34,069,660	\$ 18,883,927
Business-type activities	9,046,278	15,033,621	25,792,412	7,071,139
Total primary government	<u>\$ 54,050,610</u>	<u>\$ 70,614,657</u>	<u>\$ 59,862,072</u>	<u>\$ 25,955,066</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.

<sup>1</sup>In fiscal year 2005, a large increase in the governmental activities change in net position amount was due to property value growth, the construction boom, and hurricane relief activity which continued in fiscal year 2006. Fiscal year 2007 experienced a decrease partly due to a decrease in operating grants and contributions resulting from a high level of hurricane relief received in fiscal year 2006. In addition, transportation expenses substantially increased as a result of a one time payment to the State for the Indian Street Bridge project.

<sup>2</sup>This line item significantly decreased beginning in fiscal year 2005 due to a reclassification of the half-cent sales tax from this category to the sales tax category.

<sup>3</sup>This expenditure increased as compared to the previous year due to two major coastal management projects: St. Lucie Inlet dredging and Hutchinson Island beach renourishment.

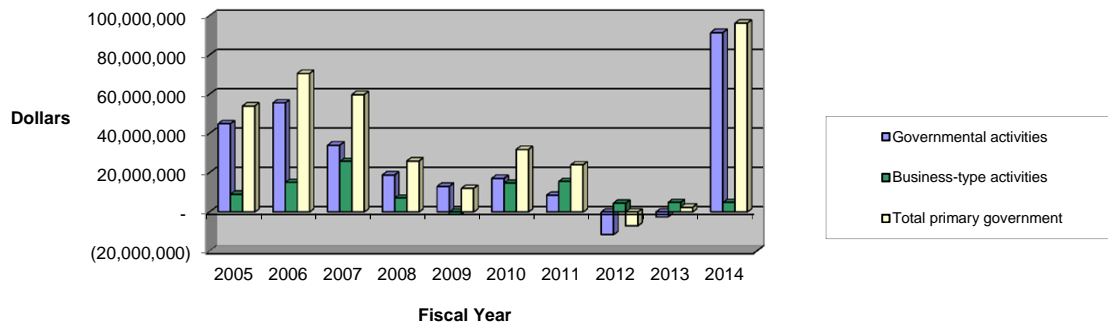
<sup>4</sup>This revenue increased due to the donation of the Veteran's Memorial Bridge from the Florida Department of Transportation.

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

(Unaudited)

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 140,260,556	\$ 133,511,337	\$ 131,215,576	\$ 132,500,321	\$ 130,297,554	\$ 136,804,070
3,032,372	2,506,768	1,396,307	609,362	1,146,599	1,101,738
29,604,864	29,097,625	30,000,477	23,211,338	21,300,473	22,882,296
2,462,431	2,616,323	2,331,023	2,317,692	2,328,905	2,199,535
3,642,457	3,604,434	3,771,423	3,954,325	4,144,662	4,396,688
2,000,454	1,906,006	1,024,530	1,408,545	343,003	916,374
5,436,547	5,847,797	7,378,397	7,837,096	4,535,942	3,915,548
-	-	-	-	-	-
-	-	-	-	-	97,693,027
-	-	-	-	(241,114) <sup>5</sup>	-
-	-	50,000	50,000	50,000	50,000
<u>186,439,681</u>	<u>179,090,290</u>	<u>177,167,733</u>	<u>171,888,679</u>	<u>163,906,024</u>	<u>269,959,276</u>
951,608	988,021	874,924	1,133,568	569,429	906,800
1,373,677	1,561,969	1,496,034	1,762,564	1,702,127	1,791,371
(4,622,040)	-	-	-	-	-
-	-	-	-	-	-
-	-	(50,000)	(50,000)	(743,662) <sup>5</sup>	(50,000)
<u>(2,296,755)</u>	<u>2,549,990</u>	<u>2,320,958</u>	<u>2,846,132</u>	<u>1,477,894</u>	<u>2,648,171</u>
<u>\$ 184,142,926</u>	<u>\$ 181,640,280</u>	<u>\$ 179,488,691</u>	<u>\$ 174,734,811</u>	<u>\$ 165,383,918</u>	<u>\$ 272,607,447</u>
\$ 13,054,928	\$ 17,129,658	\$ 8,507,892	\$ (11,559,238)	\$ (2,643,888)	\$ 91,497,637
(1,019,091)	14,725,260	15,525,074	4,508,415	4,167,034	4,815,224
<u>\$ 12,035,837</u>	<u>\$ 31,854,918</u>	<u>\$ 24,032,966</u>	<u>\$ (7,050,823)</u>	<u>\$ 1,523,146</u>	<u>\$ 96,312,861</u>

**Change in Net Position**



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

(Unaudited)

Pre-GASB Statement Number 54<sup>1</sup>

	<b>Fiscal Year</b>		
	<b>2005</b>	<b>2006</b>	<b>2007</b>
General Fund			
Reserved	\$ 412,198	\$ 394,658	\$ 532,357
Unreserved	2,457,767	11,462,941	13,940,279
Total General Fund	<u>\$ 2,869,965</u>	<u>\$ 11,857,599</u>	<u>\$ 14,472,636</u>
All Other Governmental Funds			
Reserved	\$ 805,128	\$ 814,109	\$ 681,123
Unreserved, reported in:			
Special revenue funds	73,492,991	90,429,680	91,869,561
Debt service funds	4,909,021	7,281,564	7,975,534
Capital projects funds	82,630,152	85,049,888	49,340,573
Total All Other Governmental Funds	<u>\$ 161,837,292</u>	<u>\$ 183,575,241</u>	<u>\$ 149,866,791</u>

Post-GASB Statement Number 54<sup>1</sup>

	<b>2011</b>	<b>2012</b>	<b>2013</b>
	General Fund		
Nonspendable	\$ 510,966	\$ 468,101	\$ 487,906
Restricted	1,155,361	407,643	474,494
Committed	-	-	6,806,550
Assigned	3,080,139	7,253,835	11,182,066
Unassigned	20,967,381	23,441,718	15,562,101
Total General Fund	<u>\$ 25,713,847</u>	<u>\$ 31,571,297</u>	<u>\$ 34,513,117</u>
Other Governmental Funds			
Nonspendable	\$ 770,562	\$ 910,654	\$ 1,048,548
Restricted	63,491,144	49,297,487	42,614,298
Committed	21,961,200	21,813,488	26,371,572
Assigned	13,200,924	9,100,076	7,665,601
Unassigned	(65,119)	(3,147,482)	(2,521,473)
Total Other Governmental Funds	<u>\$ 99,358,711</u>	<u>\$ 77,974,223</u>	<u>\$ 75,178,546</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.

<sup>1</sup> The County implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011.

(Unaudited)

Pre-GASB Statement Number 54<sup>1</sup>

	<b>Fiscal Year</b>		
<b>2008</b>	<b>2009</b>	<b>2010</b>	
\$ 586,586	\$ 501,749	\$ 458,885	
19,272,644	22,009,386	20,889,371	
<u>\$ 19,859,230</u>	<u>\$ 22,511,135</u>	<u>\$ 21,348,256</u>	
\$ 806,027	\$ 871,899	\$ 874,674	
82,038,500	62,155,519	54,452,925	
7,522,197	13,104,461	12,667,789	
45,920,635	42,360,416	47,768,745	
<u>\$ 136,287,359</u>	<u>\$ 118,492,295</u>	<u>\$ 115,764,133</u>	
<b>2014</b>			
\$ 454,920			
-			
10,235,000			
12,669,348			
6,588,539			
<u>\$ 29,947,807</u>			
\$ 1,076,965			
34,565,086			
28,972,326			
8,663,092			
(169,205)			
<u>\$ 73,108,264</u>			

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

(Unaudited)

	Fiscal Year			
	2005	2006	2007	2008
<b>REVENUES</b>				
Taxes	\$ 132,533,292	\$ 143,994,822	\$ 174,362,677	\$ 171,376,788
Licenses and permits	6,784,084	5,634,606	4,199,053	4,145,242
Intergovernmental revenues	60,669,576	71,654,235	42,970,357	34,629,674
Charges for services	17,463,596	17,677,272	18,879,413	18,655,174
Fines and forfeitures	2,589,062	3,258,277	3,456,647	2,930,058
Interest income	4,838,485	10,249,753	12,062,799	5,958,071
Special assessment and impact fees <sup>2</sup>	16,870,887	13,875,685	9,331,168	3,809,071
Miscellaneous revenues	12,021,697	9,615,963	4,799,469	6,336,965
Total revenues	<u>253,770,679</u>	<u>275,960,613</u>	<u>270,061,583</u>	<u>247,841,043</u>
<b>EXPENDITURES</b>				
General government	70,165,259	66,457,200	59,995,211	59,588,119
Public safety	83,710,147	91,155,719	99,400,797	103,653,702
Physical environment	7,800,289	9,827,594	6,726,761	5,697,828
Transportation	10,103,659	9,825,530	39,067,164	9,659,781
Economic environment	2,277,946	8,104,113	4,320,966	3,613,920
Human services	6,878,045	6,821,334	7,783,632	7,172,131
Culture and recreation	11,294,442	11,886,855	12,227,066	11,717,541
Capital outlay	29,906,937	71,326,398	63,264,019	52,382,150
Debt service:				
Principal	8,761,973	9,795,761	7,859,681	8,040,754
Interest	2,360,331	3,331,965	3,832,749	3,783,985
Other debt service costs	67,294	621,504	27,496	76,571
Total expenditures	<u>233,326,322</u>	<u>289,153,973</u>	<u>304,505,542</u>	<u>265,386,482</u>
Excess (deficiency) of revenues	20,444,357	(13,193,360)	(34,443,959)	(17,545,439)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	15,155,846	43,324,236	3,350,546	6,603,675
Capital lease proceeds	-	-	-	-
Debt issuance premium	-	9,024	-	-
Payment to refunded bond escrow agent	(5,241,059)	-	-	-
Contributions from enterprise funds	-	-	-	-
Transfers in	15,024,629	19,011,524	29,108,786	28,747,651
Transfers out	(15,452,250)	(19,011,524)	(29,108,786)	(25,998,728)
Total other financing sources (uses)	<u>9,487,166</u>	<u>43,333,260</u>	<u>3,350,546</u>	<u>9,352,598</u>
Net change in fund balances	<u>\$ 29,931,523</u>	<u>\$ 30,139,900</u>	<u>\$ (31,093,413)</u>	<u>\$ (8,192,841)</u>
Debt service as a percentage of noncapital expenditures <sup>1</sup>	5.47%	6.03%	4.85%	5.55%
Debt service as a percentage of total expenditures	4.80%	4.75%	3.85%	4.48%
Capital outlay as a percentage of total expenditures	12.82%	24.67%	20.78%	19.74%

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.

<sup>1</sup> Debt service in this ratio only includes the principal and interest components of debt service.

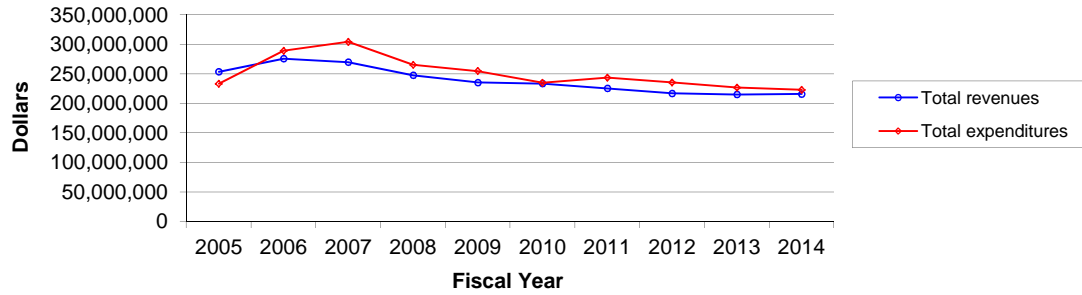
<sup>2</sup> Due to a change in reporting required by the State, this category is now reported on the Licenses and permits line starting with fiscal year 2009.

(Unaudited)

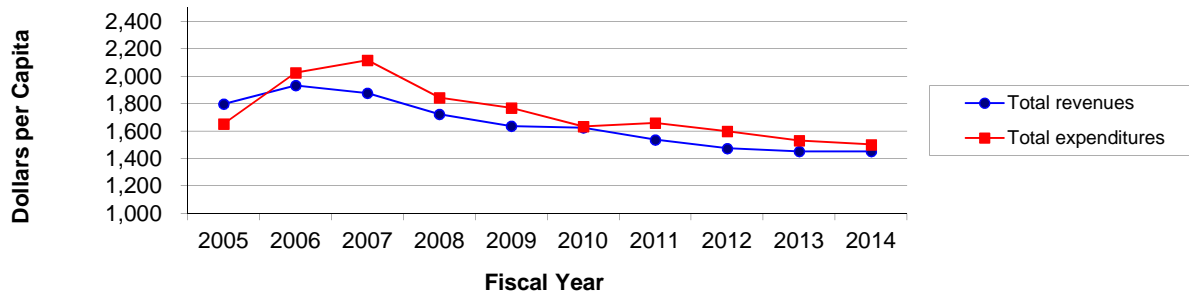
Fiscal Year						
2009	2010	2011	2012	2013	2014	
\$ 164,242,461	\$ 156,864,169	\$ 153,604,744	\$ 146,768,325	\$ 142,650,026	\$ 149,431,010	
4,157,373	5,984,641	4,802,905	6,084,551	7,506,700	6,883,045	
41,606,549	47,218,533	42,967,226	36,101,362	36,779,968	33,299,908	
16,020,120	15,091,949	14,850,490	18,114,380	19,786,540	19,194,095	
2,108,899	866,113	1,001,316	822,121	1,311,788	2,341,530	
1,998,678	1,903,976	1,023,403	1,407,366	342,889	916,263	
-	-	-	-	-	-	
5,432,764	5,839,056	7,371,038	7,829,516	6,898,033	3,914,591	
<u>235,566,844</u>	<u>233,768,437</u>	<u>225,621,122</u>	<u>217,127,621</u>	<u>215,275,944</u>	<u>215,980,442</u>	
52,272,616	51,323,328	47,569,378	46,900,656	50,476,673	48,900,686	
104,107,538	102,475,853	99,651,261	95,184,470	98,112,617	100,265,309	
8,831,557	12,749,155	9,548,173	22,999,230	7,092,983	11,152,784	
8,089,234	8,289,072	10,874,026	11,054,537	10,087,197	10,887,161	
2,122,446	3,668,861	6,674,344	5,057,207	3,549,055	2,204,224	
5,894,667	6,253,867	5,830,267	6,580,066	5,508,726	6,326,816	
9,230,382	9,324,734	8,847,619	11,072,093	11,895,764	10,972,175	
51,062,147	27,430,458	41,581,165	23,702,305	21,137,219	20,110,653	
9,562,984	9,726,942	9,520,629	9,378,310	15,640,032	9,887,976	
3,615,444	3,690,339	3,366,865	3,446,153	3,154,499	2,586,495	
18,739	15,749	109,650	70,234	133,172	16,639	
<u>254,807,754</u>	<u>234,948,358</u>	<u>243,573,377</u>	<u>235,445,261</u>	<u>226,787,937</u>	<u>223,310,918</u>	
(19,240,910)	(1,179,921)	(17,952,255)	(18,317,640)	(11,511,993)	(7,330,476)	
5,047,751	71,880	9,044,553	2,740,602	4,124,148	-	
-	-	8,318,628	-	1,320,893	644,885	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
31,891,633	30,232,238	21,411,745	17,061,493	13,500,594	10,037,170	
<u>(32,841,633)</u>	<u>(33,015,238)</u>	<u>(24,111,745)</u>	<u>(17,011,493)</u>	<u>(13,450,594)</u>	<u>(9,987,170)</u>	
<u>4,097,751</u>	<u>(2,711,120)</u>	<u>14,663,181</u>	<u>2,790,602</u>	<u>5,495,041</u>	<u>694,885</u>	
\$ (15,143,159)	\$ (3,891,041)	\$ (3,289,074)	\$ (15,527,038)	\$ (6,016,952)	\$ (6,635,591)	
6.47%	6.47%	6.38%	6.06%	9.14%	6.14%	
5.18%	5.72%	5.34%	5.48%	8.35%	5.59%	
20.04%	11.68%	17.07%	10.07%	9.32%	9.01%	

## Martin County, FL Graphs Related to Changes in Fund Balance

### Revenues vs. Expenditures

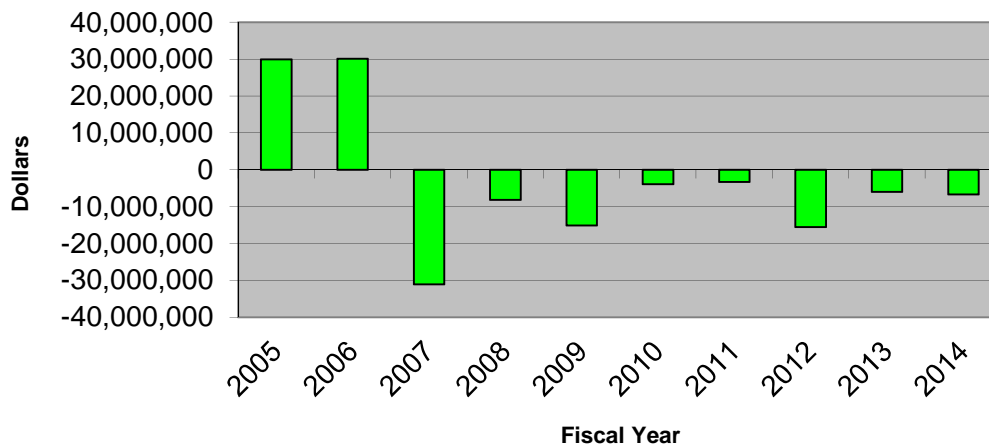


### Revenues vs. Expenditures (per capita)



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

### Net change in fund balances







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

(Unaudited)

<b>Fiscal Year</b>	<b>Residential</b>	<b>Commercial</b>	<b>Agricultural</b>	<b>Other</b>	<b>Total Real Property</b>
2005	\$ 15,334,668,280	\$ 2,482,034,940	\$ 1,042,240,760	\$ 1,571,743,660	\$ 20,430,687,640
2006	18,375,321,803	2,967,417,600	1,617,739,690	2,102,944,040	25,063,423,133
2007	23,394,337,118	3,376,848,910	2,504,648,950	2,691,985,565	31,967,820,543
2008	23,559,171,870	3,762,262,785	3,023,883,970	2,744,087,375	33,089,406,000
2009	20,429,958,733	3,715,829,925	2,593,303,123	2,843,204,485	29,582,296,266
2010	17,786,366,431	3,317,390,175	2,399,917,340	2,712,772,705	26,216,446,651
2011	15,986,019,852	2,930,020,513	1,848,319,700	2,366,717,691	23,131,077,756
2012	15,146,410,571	2,696,185,025	1,405,034,390	2,172,168,785	21,419,798,771
2013	14,495,129,157	2,567,563,225	1,376,935,105	1,961,063,100	20,400,690,587
2014	14,827,621,858	2,621,200,178	1,327,209,170	1,996,225,450	20,772,256,656

Source: Martin County Property Appraiser's Office

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

(Unaudited)

<b>Personal Property</b>	<b>Centrally Assessed Property</b>	<b>Total Assessed Value</b>	<b>Homestead &amp; Other Exemptions</b>	<b>Total Taxable Valuation</b>	<b>Total Direct Rate</b>
\$ 1,644,384,735	\$ 36,315,729	\$ 22,111,388,104	\$ 6,659,157,300	\$ 15,452,230,804	6.6780
1,711,693,725	36,529,832	26,811,646,690	9,126,414,465	17,685,232,225	6.0487
2,121,882,216	40,120,307	34,129,823,066	12,757,499,249	21,372,323,817	5.8142
2,159,405,510	45,924,411	35,294,735,921	12,594,110,006	22,700,625,915	5.3496
2,166,888,200	60,594,501	31,809,778,967	11,183,140,471	20,626,638,496	5.7267
2,094,539,575	47,271,907	28,358,258,133	9,567,825,566	18,790,432,567	6.3228
2,069,709,043	45,743,610	25,246,530,409	7,753,620,332	17,492,910,077	6.5686
2,379,712,569	47,987,530	23,847,498,870	6,704,274,218	17,143,224,652	6.7340
2,691,033,580	43,326,596	23,135,050,763	6,197,480,627	16,937,570,136	6.7084
2,751,732,111	46,969,179	23,570,957,946	6,382,476,674	17,188,481,272	6.8908

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

(Unaudited)

	Fiscal Year Taxes Are Payable			
	2005	2006	2007	2008
<u>County Direct Rates</u>				
General- Countywide				
General Fund	5.2300	4.8950	4.9280	4.5480
Bonds - General Obligation	0.2130	0.1960	0.0530	0.0590
Bonds - Lands For You	0.1150	0.1050	0.0290	0.0320
Bonds - FIT	0.0440	0.0240	0.0320	0.0310
Municipal Service Taxing Units <sup>1</sup>	1.0760	0.8287	0.7722	0.6796
Total County Direct Rate	6.6780	6.0487	5.8142	5.3496
<u>Overlapping Rates - Countywide</u>				
School Board	7.5920	7.3000	6.7440	6.6020
Children's Services	0.3337	0.3337	0.3202	0.2972
South Florida Water Management	0.6970	0.6970	0.6970	0.6240
Florida Inland Navigation District	0.0385	0.0385	0.0385	0.0345
<u>Overlapping Rates - Non-Countywide</u>				
City of Stuart	4.1539	5.4615	5.3442	4.5573
Town of Jupiter Island	3.2540	3.0904	2.9994	2.9994
Town of Ocean Breeze Park	2.8820	5.1949	3.4815	2.2911
Town of Sewall's Point	1.8890	1.9410	2.4000	2.1690
Drainage Districts <sup>2</sup>	30-53.34/ac	15-56.63/ac	20-52.72/ac	4.44-66.25/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.

<sup>1</sup> 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.

<sup>2</sup> 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 2014 is \$1,024,700. This is .72% of the total original levy of \$142,591,382.

(Unaudited)

Fiscal Year Taxes Are Payable					
2009	2010	2011	2012	2013	2014
4.8970	5.3090	5.5250	5.7336	5.6956	5.8300
0.0640	0.0694	0.0314	-	-	-
0.0340	0.0368	0.0167	-	-	-
0.0290	0.0320	0.0345	0.0368	0.0373	0.0368
0.7027	0.8756	0.9610	0.9636	0.9755	1.0240
<u>5.7267</u>	<u>6.3228</u>	<u>6.5686</u>	<u>6.7340</u>	<u>6.7084</u>	<u>6.8908</u>
6.2520	6.7030	6.9560	6.6040	6.9040	7.2780
0.3523	0.3523	0.3523	0.3693	0.3693	0.3693
0.6240	0.6240	0.6240	0.4363	0.4289	0.4110
0.0345	0.0345	0.0345	0.0345	0.0345	0.0345
4.5788	4.6081	4.6436	4.6674	4.9041	4.8020
3.1400	3.2350	3.3841	5.0794	4.7229	4.7047
2.4241	2.2459	2.6295	4.6799	4.7910	5.0619
2.2300	2.2300	2.1800	2.2896	2.2896	2.3500
4.05-83.08/ac	4.42-68.63/ac	5.10-68.75/ac	5.10-68.75/ac	5.10-68.75/ac	5.10-68.29/ac

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

(Unaudited)

Taxpayer	Fiscal Year 2014			Fiscal Year 2005		
	Taxable Assessed Value	Rank <sup>1</sup>	Percentage of Total Taxable Valuation	Taxable Assessed Value	Rank <sup>1</sup>	Percentage of Total Taxable Valuation
Florida Power & Light Company	\$ 1,884,170,525	1	10.96%	\$ 844,785,014	1	5.47%
Indiantown Cogeneration, LP	235,550,633	2	1.37%	302,445,335	2	1.96%
Treasure Coast - JCP Associates Ltd.	74,269,101	3	0.43%	74,418,171	3	0.48%
Christopher J. Hubman (TR)	45,751,170	4	0.27%	-	-	-
Florida Gas Transmission	48,655,135	5	0.28%	-	-	-
Gulfstream Natural Gas	41,609,315	6	0.24%	-	-	-
Edward H. Hamm (TR)	28,311,850	7	0.16%	24,486,322	10	0.16%
Louis Dreyfus Citrus Inc.	29,327,378	8	0.17%	-	-	-
Sandhill Cove Properties	26,119,360	9	0.15%	-	-	-
Bre Throne Martin Downs	25,198,310	10	0.15%	-	-	-
BellSouth Telecommunications Inc.	-	-	-	48,692,914	4	0.32%
Jeffrey H. Sands	-	-	-	32,950,530	5	0.21%
Knickerbocker Properties Inc.	-	-	-	29,389,690	6	0.19%
Ted Glasrud Associates	-	-	-	28,932,750	7	0.19%
Columbia Properties of Stuart	-	-	-	26,839,133	8	0.17%
Lowe's Home Centers, Inc.	-	-	-	24,047,215	9	0.16%
Total	<u>\$ 2,438,962,777</u>		<u>14.18%</u>	<u>\$ 1,436,987,074</u>		<u>9.31%</u>

Source: Martin County Tax Collector

<sup>1</sup> Based on property tax payments made during the year.



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

**(Unaudited)**

<b>Fiscal Year Ended September 30,</b>	<b>Taxes Levied for the Fiscal Year (Original Levy)</b>	<b>Adjustments</b>	<b>Total Adjusted Levy</b>
2005	\$ 126,241,036	\$ (4,722,263)	\$ 121,518,773
2006 <sup>1</sup>	138,792,622	(5,876,538)	132,916,084
2007	160,732,307	(5,826,007)	154,906,300
2008	155,197,512	(5,521,908)	149,675,604
2009	149,178,832	(5,912,700)	143,266,132
2010	141,048,660	(5,129,603)	135,919,057
2011	137,569,894	(4,941,717)	132,628,177
2012	137,852,340	(5,034,905)	132,817,435
2013	136,206,570	(4,790,195)	131,416,375
2014	142,591,382	(5,038,570)	137,552,812

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.

<sup>1</sup> For fiscal year 2006 only, additional early payment discounts were offered to taxpayers. A 4% discount was allowed for payments made by January 31, 2006, a 3% discount was allowed for payments made by February 28, 2006, and a 2% discount was allowed for payments made by March 31, 2006.

<sup>2</sup> The Tax Collector processed some unusually large refunds in fiscal year 2014 which affected the subsequent collections for fiscal years 2008-2012. The various refunds related to adjustments to property values, homestead exemptions, etc.



(Unaudited)

<b>Collected within the Fiscal Year of the Levy</b>			<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
<b>Amount</b>	<b>Percentage of Original Levy</b>			<b>Amount</b>	<b>Percentage of Adjusted Levy</b>
\$ 121,383,447	96.15 %	\$ 77,387	\$ 121,460,834	99.95 %	
132,795,379	95.68	97,179	132,892,558	99.98	
154,759,193	96.28	108,187	154,867,380	99.97	
149,509,351	96.33	102,740	149,612,091	99.96	
142,885,561	95.78	164,030	143,049,591	99.85	
135,671,472	96.19	124,008	135,795,480	99.91	
132,313,569	96.18	173,227	132,486,796	99.89	
132,687,415	96.25	(2,027) <sup>2</sup>	132,685,388	99.90	
131,237,670	96.35	60,703	131,298,373	99.91	
137,321,887	96.30	-	137,321,887	99.83	

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

(Unaudited)

<b>Fiscal Year</b>	<b>Governmental Activities</b>					
	<b>General Obligation Bonds</b>	<b>Revenue Bonds &amp; Notes</b>	<b>Special Assessment Bonds</b>	<b>Capital Lease</b>	<b>State Loans</b>	<b>Notes Payable</b>
2005	\$ 17,190,000	\$ 37,984,422	\$ 760,000	\$ 1,835,832	\$ 7,699,711	\$ -
2006	12,435,000	74,716,907	-	3,833,661	8,012,871	-
2007	10,435,000	69,982,540	-	6,346,138	7,725,627	-
2008	8,395,000	71,245,442	-	5,549,320	7,862,465	-
2009	6,295,000	65,209,684	-	9,629,496	7,402,812	-
2010	4,125,000	58,984,294	-	8,917,139	6,853,956	-
2011	2,755,000	61,007,243	-	16,412,430	6,548,268	-
2012	2,240,000	56,922,455	-	14,850,312	6,072,466	1,530,557
2013	1,705,000	55,125,125	-	10,410,809	3,031,947	1,147,918
2014	1,160,000	47,933,888	-	9,518,295	2,800,247	765,278

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 2014.

\* See the schedule of demographic and economic statistics for personal income and population data. These ratios are calculated using personal income and population for the calendar year.

(Unaudited)

<b>Business-Type Activities</b>					
<b>Revenue Bonds &amp; Notes</b>	<b>State Loans</b>	<b>Other Loans</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income *</b>	<b>Per Capita *</b>
\$ 96,435,000	\$ 418,897	\$ -	\$ 162,323,862	2.33%	\$ 1,151
94,000,000	2,817,859	-	195,816,298	2.49%	1,373
91,480,000	2,706,212	-	188,675,517	2.20%	1,313
88,875,000	2,467,642	-	184,394,869	2.20%	1,282
88,875,000	2,351,836	-	179,763,828	2.19%	1,250
91,160,000	2,232,845	-	172,273,234	2.32%	1,198
72,215,000	18,920,582	-	177,858,523	2.28%	1,212
87,895,000	1,984,956	-	171,495,746	2.17%	1,165
84,300,000	1,855,875	-	157,576,674	1.92%	1,064
80,535,000	1,723,244	6,530,587	150,966,539	-	1,016

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

(Unaudited)

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Net General Bonded Debt</b>	<b>Percentage of Actual Taxable Value of Property<sup>1</sup></b>	<b>Per Capita<sup>2</sup></b>
2005	\$ 17,190,000	\$ 1,026,348	\$ 16,163,652	0.10%	114.59
2006	12,435,000	1,418,509	11,016,491	0.06%	77.23
2007	10,435,000	1,634,242	8,800,758	0.04%	61.23
2008	8,395,000	2,014,965	6,380,035	0.03%	44.35
2009	6,295,000	2,135,236	4,159,764	0.02%	28.92
2010	4,125,000	2,240,794	1,884,206	0.01%	13.11
2011	2,755,000	1,293,737	1,461,263	0.01%	9.96
2012	2,240,000	1,237,881	1,002,119	0.01%	6.81
2013	1,705,000	1,408,646	296,354	0.00%	2.00
2014	1,160,000	1,289,425	(129,425)	0.00%	(0.87)

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> Taxable value data can be found on the schedule of Assessed Value and Actual Value of Taxable Property.

<sup>2</sup> Population data can be found on the Demographic and Economic Statistics schedule.

**Martin County, Florida**  
**Direct and Overlapping Governmental Activities Debt**  
**September 30, 2014**

(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>1</sup></u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Stuart			
Revenue Bond Loans and Notes	\$ 3,217,928	100%	\$ 3,217,928
General Obligation Bonds	6,900,000	100%	6,900,000
Bank Loan	200,000	100%	200,000
Town of Jupiter Island			
General Obligation Notes Payable	8,799,261	100%	8,799,261
Martin County School Board			
Bonds Payable	9,414,000	100%	9,414,000
Certificates of Participation	31,880,000	100%	31,880,000
Capital Lease	266,233	100%	266,233
South Florida Water Management District			
Land Acquisition Bonds	13,105,000	2.47%	323,694
Certificates of Participation	491,656,233	2.47%	12,143,909
Subtotal, overlapping debt			73,145,025
Martin County Direct Debt			<u>62,177,708</u>
Total direct and overlapping debt			<u><u>\$ 135,322,733</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.

<sup>1</sup> These 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 units' taxable value that is within the County's boundaries and dividing it by each unit's total taxable value.

**Martin County, Florida  
Legal Debt Margin  
Last Ten Fiscal Years**

**(Unaudited)**

The constitution of the State of Florida, Florida Statute 200.181 and Martin County set no legal debt limit.

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

(Unaudited)

Fiscal Year	Gas Tax Bonds, Series 2006 <sup>1</sup>				Coverage
	Gross Revenues	Debt Service			
		Principal	Interest		
2005	\$ -	\$ -	\$ -		-
2006	8,611,648	-	973,021		8.85
2007	8,119,612	1,385,000	1,632,431		2.69
2008	7,492,202	1,580,000	1,573,131		2.38
2009	7,637,746	1,645,000	1,510,688		2.42
2010	7,402,834	1,705,000	1,447,875		2.35
2011	7,380,135	1,770,000	1,382,719		2.34
2012	7,303,272	1,840,000	1,316,411		2.31
2013	7,638,465	1,905,000	1,248,049		2.42
2014	7,921,938	1,975,000	1,175,775		2.51

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.

<sup>1</sup> The Gas Tax Revenue Bonds, Series 2006 are backed by Gas Tax Revenues.

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

(Unaudited)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<i>PRIMARY DEBT SERVICE COVERAGE</i>					
Operating revenues	\$ 31,260,723	\$ 29,563,838	\$ 29,549,044	\$ 29,371,014	\$ 27,651,131
General and administrative expenses (a)	(15,102,694)	(14,694,424)	(14,327,780)	(14,713,133)	(15,347,488)
Non-operating income (b)	691,429	521,661	673,537	558,104	624,889
Special assessment fees (c)	<u>643,087</u>	<u>733,151</u>	<u>604,700</u>	<u>690,738</u>	<u>563,989</u>
Net revenues available for debt service	\$ 17,492,545	\$ 16,124,226	\$ 16,499,501	\$ 15,906,723	\$ 13,492,521
Connection fees (d)	<u>946,339</u>	<u>994,352</u>	<u>996,280</u>	<u>771,830</u>	<u>1,013,725</u>
Net revenues & connection fees	\$ 18,438,884	\$ 17,118,578	\$ 17,495,781	\$ 16,678,553	\$ 14,506,246
Debt service requirements (e)	\$ 6,831,083	\$ 6,813,507	\$ 7,022,218	\$ 7,106,186	\$ 7,296,289
Actual coverage:					
Excluding connection fees	2.56	2.37	2.35	2.24	1.85
Including connection fees	2.70	2.51	2.49	2.35	1.99
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	\$ 17,492,545	\$ 16,124,226	\$ 16,499,501	\$ 15,906,723	\$ 13,492,521
Less: revenue required for primary debt service coverage (f)	7,514,191	7,494,858	7,724,440	7,816,805	8,025,918
Less indirect costs	<u>1,460,459</u>	<u>1,483,726</u>	<u>1,444,780</u>	<u>1,212,940</u>	<u>1,212,940</u>
Adjusted net revenues	\$ 8,517,895	\$ 7,145,642	\$ 7,330,281	\$ 6,876,978	\$ 4,253,663
Debt service requirements (g)	\$ 455,946	\$ 182,439	\$ 180,724	\$ 182,086	\$ 182,439
Actual coverage	18.68	39.17	40.56	37.77	23.32
Required Coverage	1.15	1.15	1.15	1.15	1.15

a. Excludes depreciation, loss on disposal of assets, indirect costs to General Fund and includes other debt services costs exclusive of bond principal and interest.

b. Does not include interest income on project funds from bond proceeds or interest income on connection fees. For fiscal year 2008 interest on project funds and connection fees totaled \$420,468.

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 New Assets special assessment revenues are recognized when the project is completed and recorded as a capital contribution. This change was made in FY 2008 and restated for FY 2007 only.

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 for such fiscal year.

Source: Martin County Utilities Department



(Unaudited)

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 26,159,368	\$ 24,948,473	\$ 26,018,743	\$ 25,974,637	\$ 24,702,842
(15,109,284)	(14,757,562)	(14,558,780)	(14,367,837)	(12,896,082)
619,237	1,028,230	1,638,364	1,988,350	1,362,992
<u>554,071</u>	<u>886,170</u>	<u>462,598</u>	<u>-</u>	<u>-</u>
\$ 12,223,392	\$ 12,105,311	\$ 13,560,925	\$ 13,595,150	\$ 13,169,752
<u>711,537</u>	<u>2,585,175</u>	<u>3,087,645</u>	<u>3,229,503</u>	<u>4,125,641</u>
\$ 12,934,929	\$ 14,690,486	\$ 16,648,570	\$ 16,824,653	\$ 17,295,393
\$ 7,065,799	\$ 7,062,209	\$ 7,066,689	\$ 7,065,974	\$ 7,066,874
1.73	1.71	1.92	1.92	1.86
1.83	2.08	2.36	2.38	2.45
1.10	1.10	1.10	1.10	1.10
1.20	1.20	1.20	1.20	1.20
\$ 12,223,392	\$ 12,105,311	\$ 13,560,925	\$ 13,595,150	
7,772,379	7,768,430	7,773,358	7,772,571	
<u>1,190,941</u>	<u>1,190,941</u>	<u>1,129,643</u>	<u>953,223</u>	
\$ 3,260,072	\$ 3,145,940	\$ 4,657,924	\$ 4,869,356	
\$ 182,439	\$ 182,439	\$ 182,439	\$ 163,649	
17.87	17.24	25.53	29.75	
1.15	1.15	1.15	1.15	

**Martin County, Florida**  
**Demographic and Economic Statistics**  
**Last Ten Years**

(Unaudited)

<b>Year</b>	<b>Population</b>	<b>Personal Income<sup>1</sup></b>		<b>Unemployment Rate</b>	<b>Median Age<sup>1</sup></b>
		<b>Total Personal Income<sup>2</sup></b>	<b>Per Capita Personal Income</b>		
2005	141,059	\$ 6,962,997	\$ 49,992	3.6	48.8
2006	142,645	7,851,094	56,741	3.4	49.2
2007	143,737	8,586,709	61,868	4.4	49.5
2008	143,868	8,364,241	60,140	6.9	50.2
2009	143,856	8,207,593	58,712	11.1	50.5
2010	143,777	7,435,382	50,758	11.8	49.7
2011	146,689	7,787,403	52,798	10.8	50.0
2012	147,203	7,897,895	53,071	8.8	50.6
2013	148,077	8,199,279	54,205	7.6	50.8
2014	148,585	-	-	6.2 <sup>3</sup>	-

Sources: The personal income information is from the Bureau of Economic Analysis, U.S. Department of Commerce and the 2008-14 unemployment rates are from the State of Florida Agency for Workforce Innovation. All other information is from the University of Florida Bureau of Economic & Business Research.

<sup>1</sup> Data for 2014 is not available.

<sup>2</sup> In thousands of dollars.

<sup>3</sup> This is a preliminary figure for 2014 and is subject to revision.

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

(Unaudited)

Employer	2014			2005		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Martin Health Systems	3,120	1	4.71%	2,587	1	4.03%
Martin County School District	2,528	2	3.81%	2,556	2	3.99%
Martin County Government	1,634	3	2.47%	1,670	3	2.60%
State of Florida	506	4	0.76%	672	5	1.05%
Paradigm Precision	369	5	0.56%	-	-	0.00%
Triumph Group - Vought Aerostructures	324	6	0.49%	-	-	-
Liberator Medical Supply	316	7	0.48%	-	-	-
Florida Power & Light	302	8	0.46%	-	-	-
Seacoast National Bank	302	9	0.46%	-	-	-
City of Stuart	254	10	0.38%	-	-	0.00%
Publix Supermarkets	-	-	-	1,251	4	1.95%
Armellini Express Lines	-	-	-	603	6	0.94%
Wal-Mart	-	-	-	400	7	0.62%
Winn-Dixie Stores	-	-	-	354	8	0.55%
Home Depot	-	-	-	379	9	0.59%
Lowe's Home Improvement Center	-	-	-	330	10	0.51%
Total	<u>9,655</u>		<u>14.58%</u>	<u>10,802</u>		<u>16.83%</u>
Seacoast National Bank						

Sources: The labor force figures are from the Florida Agency for Workforce Innovation. The Treasure Coast Magazine provided the 2005 employer data and the 2014 employer data is from the Business Development Board of Martin County except for the governmental entities which provided their own data. The Business Development Board data includes information for only their targeted industries which may not include businesses that have been included on this list in the past such as Lowes, Publix, Winn-Dixie, etc.. More information on their targeted industries can be found on their website <http://www.bdbmc.org>.

Note: The data presented in this list can include part time and full time employees. The labor force figure for 2014 and 2005 is 66,267 and 64,123, respectively. These numbers were used to calculate the percentage of total county employment. The 2014 figure is a preliminary average and is subject to change.

**Martin County, Florida**  
**Education Statistics**  
**Last Ten Years**

(Unaudited)

Year	Public School Enrollment <sup>1</sup>	Drop Out Rates <sup>2</sup>		Number of Public Schools <sup>1</sup>				
		Martin County	Florida	Elementary	Middle	High School	Alternative	Charter
2005	17,089	1.30 %	3.00 %	11	4	3	1	1
2006	17,732	0.40	3.50	11	5	3	1	1
2007	17,640	0.60	3.30	11	5	3	1	1
2008	18,231	0.50	2.60	11	5	3	1	1
2009	17,794	0.70	2.30	12	5	3	1	1
2010	17,803	0.60	2.00	12	5	3	1	1
2011	18,571	0.60	1.90	12	5	3	1	1
2012	18,639	0.60	1.90	12	5	3	1	1
2013	17,878	0.50	2.00	12	5	3	1	1
2014	19,141	-	-	12	5	3	1	1

Sources:

<sup>1</sup> Martin County School Board

<sup>2</sup> Florida Department of Education

<sup>3</sup> As of 2006, the average students per teacher data is not available in the same format as in previous years. Starting with 2006, the elementary (grades PK-5) and middle (grades 6-8) school categories are split into PK-3 and 4-8 grades, respectively. The School Board of Martin County provided the data for 2005. The 2006-2014 information was obtained from the Florida Department of Education.

Please note that the drop out rates for 2014 were unavailable when this report was prepared.

(Unaudited)

<b>Average Students Per Teacher<sup>3</sup></b>			<b>Number of</b>	<b>Number of</b>
<b>Elementary</b>	<b>Middle</b>	<b>High School</b>	<b>Private</b>	<b>Community</b>
			<b>Schools</b>	<b>Colleges</b>
16	17	17	7	1
Grades PK-3	Grades 4-8			
15	17	16	6	1
17	18	23	6	1
17	18	21	9	1
17	19	22	9	1
17	19	23	9	1
15	18	20	9	1
16	18	19	9	1
15	18	19	8	1
15	17	20	8	1

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

(Unaudited)

<b>Function/Program</b>	<b>Full-time Equivalent Employees as of September 30<sup>1</sup></b>			
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
General government	400.81	436.15	412.80	367.37
Public safety				
Ambulance and fire rescue services	235.00	246.00	244.00	251.00
Police protection	228.80	235.20	235.00	234.00
Corrections	158.57	142.28	144.00	132.00
Other	277.23	264.26	309.00	273.50
Physical environment				
Solid waste	19.10	20.80	18.10	17.10
Water sewer	84.50	92.80	90.50	89.50
Other	36.00	37.00	35.50	32.00
Transportation				
Airport	6.00	5.00	4.00	4.00
Road and street	61.70	62.00	65.50	61.00
Economic environment	6.35	6.35	5.25	3.30
Human services	13.00	13.00	12.00	11.00
Culture and recreation				
Libraries	53.20	54.33	48.96	37.63
Parks and recreation	67.50	65.50	62.75	59.75
<b>Total</b>	<b>1,647.76</b>	<b>1,680.67</b>	<b>1,687.36</b>	<b>1,573.15</b>

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

<sup>1</sup> Note: 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<sup>1</sup>**

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
346.34	333.08	336.48	326.40	340.70	335.66
291.00	290.00	289.00	292.00	290.00	292.00
204.00	254.00	268.00	265.00	252.00	282.00
134.00	132.00	135.00	129.00	130.00	120.00
264.00	259.00	219.00	235.00	239.00	271.00
18.10	18.40	19.70	19.70	19.40	18.40
90.50	89.20	89.90	88.90	90.20	94.20
33.80	33.30	30.00	30.00	31.00	29.00
4.00	5.00	5.00	6.00	5.00	5.00
58.00	62.50	69.00	69.00	67.60	67.00
3.15	4.15	8.00	8.25	10.25	7.90
11.85	11.85	10.00	8.75	8.75	8.95
41.73	39.73	39.73	38.73	38.73	44.73
47.00	46.75	46.75	48.75	52.15	58.40
1,547.47	1,578.96	1,565.56	1,565.48	1,574.78	1,634.24

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

(Unaudited)

Function/Program	Fiscal Year			
	2005	2006	2007	2008
<b>Public Safety</b>				
Fire Rescue				
Number of calls answered	17,515	17,122	17,320	16,573
Police Protection				
Number of calls answered	224,363	225,941	227,177	233,245
Number of citations	17,381	14,401	16,787	16,632
Number of law violations	24,623	17,865	17,460	15,880
Number of arrests	9,366	9,160	9,547	8,780
<b>Physical Environment</b>				
Water Quality/Storm water				
Basin acres treated	4,491	5,050	5,351	5,530
Treated run-off (in acre-feet)	121.9	161.9	172.9	186.1
Treated run-off (in million gallons)	39.7	52.8	56.4	60.7
Water				
New connections	1,239	822	779	330
Average daily consumption (million gallons per day)	9.011	9.271	8.814	7.994
Sewer				
Average daily sewage treatment (million gallons per day)	4.074	4.875	4.581	4.465
Solid Waste				
Waste disposal (in tons)	259,781	220,472	188,153	164,952
Recycling materials (in tons)	179,536	85,310	63,094	74,197
<b>Transportation</b>				
Engineering				
Linear miles of paved roadway maintained	*	490.73	493.27	493.27
Linear miles of unpaved roadway maintained	*	20.60	17.47	17.47
Number of street lights maintained	*	4,762	5,522	5,493
Number of traffic signals maintained	*	159	162	170
Number of bridges maintained	43	43	43	43
Lineal feet sidewalks repaired/replaced	10,501	10,123	13,505	13,505
<b>Human Services (in numbers of residents)</b>				
Drug abuse clients evaluated	173	208	177	262
Drug abuse clients accepted for treatment	8	208	99	235
Prescription assistance	163	151	451	279
Indigent medical assistance - hospitalization/physician services	312	377	303	319
<b>Culture and Recreation</b>				
Libraries				
Library items borrowed	1,464,653	1,603,075	1,716,534	1,628,567
Library visits	1,099,770	1,152,729	1,223,533	1,080,018
Program attendance	69,547	77,920	74,118	68,584
Parks				
Number of programs offered	154	154	149	120
Number of participants	173,478	184,187	181,812	171,476

\* Information not available.

Sources: Various County departments.



(Unaudited)

Fiscal Year					
2009	2010	2011	2012	2013	2014
16,752	16,974	16,811	16,423	17,390	18,241
219,024	232,527	285,233	312,171	313,080	312,997
13,838	11,491	10,421	11,191	10,673	10,324
15,006	15,048	14,608	14,411	13,511	12,682
7,133	7,804	6,570	7,253	7,064	6,560
5,530	6,192	7,686	10,146	10,146	10,146
186.1	223.3	299.2	324.8	324.8	324.8
60.7	74.0	98.9	107.3	107.3	107.3
572	1,783	270	367	518	549
8,515	8,699	9,098	9,296	8,833	9,342
3,294	3,797	3,883	4,110	4,162	4,147
132,743	135,475	127,846	130,014	161,515	167,137
64,440	64,853	62,095	63,936	65,596	72,057
498.87	500.96	507.30	507.01	510.64	513.66
17.47	17.38	16.99	16.99	14.67	14.67
5,629	5,210	5,233	4,738	4,979	5,191
175	180	181	188	188	193
45	45	48	50	51	51
12,631	7,724	7,450	9,122	10,105	10,526
198	212	192	206	167	201
162	164	110	80	167	91
148	130	123	110	95	93
355	456	494	417	414	387
1,556,999	1,416,787	1,258,109	1,260,038	1,220,087	1,045,482
1,072,192	1,078,807	996,953	945,240	923,672	841,697
58,841	69,676	66,643	66,833	67,525	61,483
139	128	104	139	153	155
174,213	164,461	135,500	286,901	365,335	407,517

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

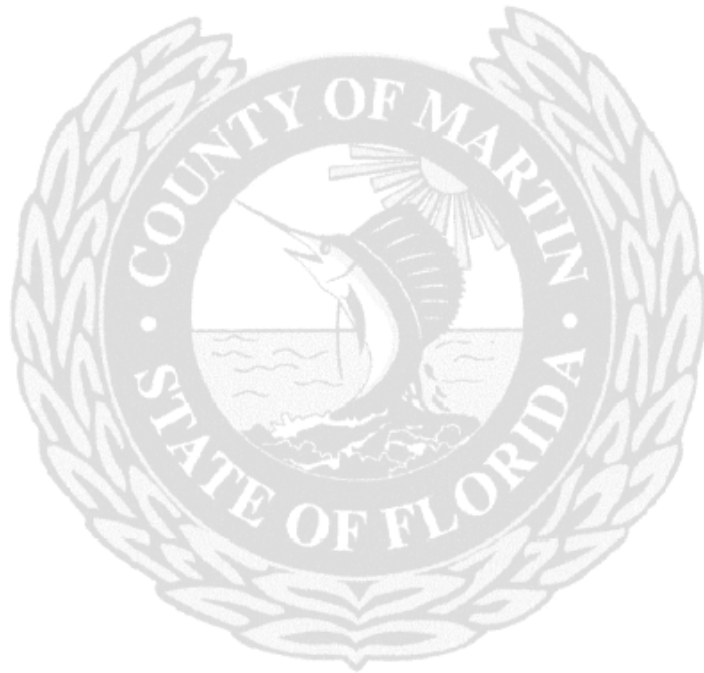
(Unaudited)

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Public Safety</b>										
<b>Fire Rescue</b>										
Number of fire engines	16	16	16	16	16	16	16	16	16	16
Number of ambulances	14	15	16	16	16	20	18	18	18	18
Number of stations	14	13	13	14	14	14	14	14	14	14
<b>Police Protection</b>										
Number of stations/field offices	7	7	7	7	7	6	8	6	8	9
<b>Physical Environment</b>										
<b>Water Quality/Stormwater</b>										
Stormwater treatment area (in acres)	78.00	88.30	106.50	112.00	112.00	134.00	167.59	175.74	178.74	178.74
<b>Water</b>										
Water mains (in miles)	425	451	468	474	504	512	518	519	526	543
Fire Hydrants	2,575	2,746	2,860	3,011	3,078	3,283	3,363	3,389	3,461	3,514
<b>Sewer</b>										
Pump stations	315	329	340	343	360	381	383	387	390	391
Reuse water mains	13	18	21	21	34	35	36	39	39	39
<b>Transportation</b>										
<b>Engineering</b>										
Linear miles of paved roadway	*	490.73	493.27	493.27	498.87	500.96	507.30	507.01	510.64	513.66
Linear miles of unpaved roadway	*	20.60	17.47	17.47	17.47	17.38	16.99	16.99	14.67	14.67
Number of street lights	*	273	273	331	472	392	415	421	503	610
Number of traffic signals	*	85	94	103	118	93	97	99	99	105
Number of bridges	43	43	43	43	45	45	49	50	51	51
<b>Culture and Recreation</b>										
<b>Library</b>										
Library collection	347,797	374,931	390,121	383,271	387,724	379,310	378,297	363,559	335,253	382,683
Number of libraries	7	7	7	7	7	7	7	7	7	7
<b>Parks</b>										
Number of parks	70	72	72	72	72	72	72	73	73	74
Number of acres managed	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,496	1,496	1,522
Number of conservation acres	1,436	1,436	2,010	2,016	2,016	2,016	2,016	2,016	2,016	2,016
Number of baseball/softball fields	28	28	30	30	30	30	34	34	33	37
Number of football/soccer fields	12	12	13	13	13	13	22	22	23	23
Number of community centers	10	11	11	11	11	13	13	13	13	13
Number of boat ramps	23	23	23	23	25	25	25	25	25	26
Linear footage of publicly owned beaches	15,963	15,963	15,963	16,363	16,363	16,363	16,363	16,363	16,363	16,363

\* Information not available.

Sources: Various County departments.

## Other Reports



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# Martin County

## Schedule of Expenditures of Federal Awards and State Financial Assistance Year Ended September 30, 2014

Federal Grantor/State Agency Pass Through Entity/Program Title	CFDA/ CSFA #	Grant/Contract #	Expenditures		
			County	Subrecipient	Total
<b>U.S. DEPARTMENT OF COMMERCE</b>					
Direct awards					
National Oceanic: NOAA					
NOAA Estuary	11.463	NA11NMF4630234	\$ 6,093	\$ -	\$ 6,093
<b>Total Department of Commerce</b>			<b>6,093</b>	<b>-</b>	<b>6,093</b>
<b>U.S. ELECTION ASSISTANCE COMMISSION (EAC)</b>					
Passed through the Florida Department of State					
Division of Elections:					
Ballot on Demand	90.401	N/A	26,908	-	26,908
Help America Vote Act (HAVA) Federal Elections Activities	90.401	N/A	16,484	-	16,484
<b>Total Election Assistance Commission</b>			<b>43,392</b>	<b>-</b>	<b>43,392</b>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>					
Passed through Florida Dept. of Comm Affairs:					
Kitching Creek #11HM2W105301001	97.039	11-HM-2W-10-53-01-001	1,070,568	-	1,070,568
High Intensity Drug Trafficking Areas	95.001	WP13CR13WP0021	6,878	-	6,878
			<b>1,077,446</b>	<b>-</b>	<b>1,077,446</b>
Passed through the Florida Department of Financial Services					
Passed through the Florida Division of Emergency Management					
Homeland Security	97.067	12-DS-20-13-00-16	-	25,240	25,240
Operation Stonegarden	97.067	2011-SS-00067	34,505	-	34,505
Emergency Management Preparedness (EMPG)	97.042	14-FG-IM-10-53-01-110	69,086	-	69,086
Emergency Management Preparedness (EMPG)	97.042	15-FG-4D-10-53-01-110	1,200	-	1,200
Direct award			<b>104,791</b>	<b>25,240</b>	<b>130,031</b>
Federal Emergency Management Agency					
Homeland Security Hurricane Frances	97.036	05-PA-G%-10-53-00-835	371,434	-	371,434
Homeland Security Hurricane Jeanne	97.036	05-PA-E=10-53-00-946	613,437	-	613,437
Homeland Security Tropical Storm Fay	97.036	09-PA-B9-10-53-13-727	199	-	199
Homeland Security Hurricane Isaac (FEMA-4084-DR-FL)	97.036	13-IS-3S-10-53-02-531	175,751	-	175,751
			<b>1,160,821</b>	<b>-</b>	<b>1,160,821</b>
<b>Total Department of Homeland Security</b>			<b>2,343,058</b>	<b>25,240</b>	<b>2,368,298</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					
Passed through Florida Department of Revenue, Administration for Children and Families:					
Child Support Enforcement Program (Title IV-D)	93.563	CE343	145,852	-	145,852
Child Support Enforcement Program (Title IV-D)	93.563	COC43	16,554	-	16,554
			<b>162,406</b>	<b>-</b>	<b>162,406</b>
Passed through Florida DCA:					
CSBG Cluster					
Community Services Block Grant	93.569	14-SB-0D-12-00-01-023	-	48,962	48,962
			<b>-</b>	<b>48,962</b>	<b>48,962</b>
<b>Total Department of Health and Human Services</b>			<b>162,406</b>	<b>48,962</b>	<b>211,368</b>

(Continued)

**Martin County**

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)  
Year Ended September 30, 2014**

Federal Grantor/State Agency Pass Through Entity/Program Title	CFDA/ CSFA #	Grant/Contract #	Expenditures		
			County	Subrecipient	Total
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					
Direct awards					
Office of Community Planning and Development:					
Shelter Plus Care	14.238	FL0118C4H091104	39,512	-	39,512
Shelter Plus Care	14.238	FL0117L4H091205	61,430	-	61,430
Shelter Plus Care	14.238	FL0309L4H091204	68,767	-	68,767
Shelter Plus Care	14.238	FL0118L4H091205	74,501	-	74,501
Shelter Plus Care	14.238	FL0117L4H091306	32,185	-	32,185
Shelter Plus Care	14.238	FL0309L4H091305	33,688	-	33,688
			<u>310,083</u>	<u>-</u>	<u>310,083</u>
Passed through Florida Department of Community Affairs:					
Community Development Block Grant	14.228	11DB-C5-10-53-01-C03	8,201	-	8,201
Community Development Block Grant	14.228	10DB-4X--10-53-01-F14	386,991	-	386,991
Community Development Block Grant	14.228	B-11-UN-12-0026	51,762	-	51,762
			<u>446,954</u>	<u>-</u>	<u>446,954</u>
<b>Total Department of Housing and Urban Development</b>			<u>757,037</u>	<u>-</u>	<u>757,037</u>
<b>U.S. DEPARTMENT OF INTERIOR</b>					
Fish and Wildlife Service					
Sport Fish Restoration	15.605	FWC-13128	50,000	-	50,000
Clean Vessel Act	15.616	MV073	39,382	-	39,382
Clean Vessel Act	15.616	MV116	120,713	-	120,713
			<u>210,095</u>	<u>-</u>	<u>210,095</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>					
Direct award					
Office of Justice Programs, Bureau of Justice Assistance:					
2012 SCAAP	16.606	2014-AP-BX-0733	241,092	-	241,092
Direct awards					
Drug Enforcement Administration:					
US Marshals Warrant	16.000	JLEO-12-0300	45,000	-	45,000
Operation Road Rash	16.000	FC/FLS/1803	12,797	-	12,797
Equitable Sharing	16.000	FL0430000	848	-	848
			<u>58,645</u>	<u>-</u>	<u>58,645</u>
Passed through the Florida Department of Law Enforcement:					
Edward Byrne Memorial Grant	16.738	2014-JAGC-MART-1-E5-172	72,668	-	72,668
DOJ	16.738	2013-DJ-BX-0071	23,349	-	23,349
DOJ	16.738	2013-DJ-BX-0011	24,555	-	24,555
DOJ	16.738	2011-DJ-BX-2392	1,683	-	1,683
			<u>122,255</u>	<u>-</u>	<u>122,255</u>
Passed through the Office of Attorney General,					
Office of Justice Programs, Office of Victims of Crime:					
Victims of Crime Act Grant (VOCA)	16.575	V12123	58,458	-	58,458
DOJ – DEA Marijuana					
	16.UNKNOWN		4,400	-	4,400
<b>Total Department of Justice</b>			<u>484,850</u>	<u>-</u>	<u>484,850</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>					
Passed through Federal Aviation Administration:					
Noise Mitigation Phase 2	20.106	AIP 3-12-0076-015-2009	81,607	-	81,607
FAA Lighting/Wildlife Assessment	20.106	AIP-3-12-0076-017-2013	123,343	-	123,343
FAA 12-30 Rehab/Lighting	20.106	AIP-3-12-0076-018-2014	38,609	-	38,609
			<u>243,559</u>	<u>-</u>	<u>243,559</u>

(Continued)

**Martin County**

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)  
Year Ended September 30, 2014**

Federal Grantor/State Agency Pass Through Entity/Program Title	CFDA/ CSFA #	Grant/Contract #	Expenditures		
			County	Subrecipient	Total
Direct Awards					
Federal Transit Administration:					
Section 5303 AQ262	20.505	FM#41373311401	136,423	-	136,423
Section 5307 FY 05/06	20.507	FL-90-X586-00	6,153	-	6,153
Section 5307 FY 06/07	20.507	FL-90-X639-00	16,000	-	16,000
Section 5307 FY 07/08	20.507	FL-90-X677-00	170,565	-	170,565
Section 5307 FY 08/09	20.507	FL-90-X703-00	78,204	-	78,204
Section 5307 FY 09/10	20.507	FL-90-X745-00	105,551	-	105,551
Section 5307 FY 10/11	20.507	FL-90-X786	16,311	-	16,311
Section 5307 FY11/12	20.507	FL-95-X044	36,997	-	36,997
			429,781	-	429,781
Section 5311 FDOT JPA FY 08-FY14	20.509	FM#425977-1-84-01 (APG54)	55,630	-	55,630
MPO Transportation Planning (12/13 and FY14)	20.205	AA081/ FM#427829-1-14-01	381,966	-	381,966
MPO Transportation Planning (FY15/FY16)	20.205	AA081/ FM#427829-1-14-01	121,393	-	121,393
CR-A1A (US1 TO SATURN)(LAP)	20.205	431649-1-58-01	324,067	-	324,067
			827,426	-	827,426
Section 5317 – NEW FREEDOM	20.521	FL-57-X033-00	4,060	-	4,060
Section 5317 – NEW FREEDOM	20.521	FL-57-X047	2,832	-	2,832
			6,892	-	6,892
<b>Total Department of Transportation</b>			1,699,711	-	1,699,711
<b>Total Expenditures of Federal Financial Assistance</b>			\$ 5,706,642	\$ 74,202	\$ 5,780,844
<b>FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS</b>					
Passed through Division of Emergency Management:					
FY14 Emergency Preparedness	31.063	14-BG-83-10-53-01-043	\$ 55,992	\$ -	\$ 55,992
FY15 Emergency Preparedness	31.063	15-BG-83-10-53-01-043	37,209	-	37,209
<b>Total Florida Department of Community Affairs</b>			93,201	-	93,201
<b>FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS, DIVISION OF HOUSING FINANCE CORPORATION</b>					
Passed through State Housing Initiative Program:					
State Housing Initiative Program (SHIP) 11/12	52.901	N/A	95,366	-	95,366
State Housing Initiative Program (SHIP) FY14	52.901	N/A	76,745	-	76,745
<b>Total Florida Department of Community Affairs - Housing Finance</b>			172,111	-	172,111
<b>FLORIDA DEPARTMENT OF HEALTH, BUREAU OF EMERGENCY MEDICAL</b>					
Direct Programs:					
Emergency Medical Services	64.003	FDH C2043	26,895	-	26,895
<b>Total Florida Department of Health, Bureau of Emergency Medical</b>			26,895	-	26,895

(Continued)



**Martin County**

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)  
Year Ended September 30, 2014**

Federal Grantor/State Agency Pass Through Entity/Program Title	CFDA/ CSFA #	Grant/Contract #	Expenditures		
			County	Subrecipient	Total
<b>FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION</b>					
Direct Programs:					
Beach Erosion Control:					
Bathtub Beach Nourishment	37.003	12MI2	281,860	-	281,860
Shore Protection	37.003	12MI1	9,675	-	9,675
			<u>291,535</u>	<u>-</u>	<u>291,535</u>
Water Management Districts – Land Acquisition					
Rio St. Lucie Stormwater SFWMD	37.022	4600002894	310,000	-	310,000
Statewide Surface Water Restoration and Wastewater Projects:					
Railroad Avenue	37.039	S0644	49,400	-	49,400
Rio St Lucie Stormwater	37.039	S0642	239,911	-	239,911
Kitchen Creek Restoration	37.039	4600000729	152,607	-	152,607
Oyster Reef Restoration	37.039	4600002796	17,088	-	17,088
Cypress Creek	37.039	4600001243	219,927	-	219,927
			<u>678,933</u>	<u>-</u>	<u>678,933</u>
<b>Total Florida Department of Environmental Protection</b>			<u>1,280,468</u>	<u>-</u>	<u>1,280,468</u>
<b>FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES</b>					
Mosquito Control: Mosquito Control Arthropod Control	42.003	FDACS013082	41,680	-	41,680
<b>Total Florida Department of Agriculture and Consumer Services</b>			<u>41,680</u>	<u>-</u>	<u>41,680</u>
<b>FLORIDA DEPARTMENT OF STATE, DIVISION OF LIBRARY AND INFORMATION</b>					
Direct Programs:					
State Aid to Libraries	45.030	13-ST-30	9,202	-	9,202
State Aid to Libraries	45.030	14-ST-32	46,461	-	46,461
State Aid to Libraries	45.030	12-ST-30	23,625	-	23,625
<b>Total Florida Department of State, Division of Library and Information</b>			<u>79,288</u>	<u>-</u>	<u>79,288</u>
<b>FLORIDA DEPARTMENT OF TRANSPORTATION</b>					
Direct Programs:					
Transportation Disadvantage	55.002	AR267	16,357	-	16,357
Transportation Disadvantaged Planning FY14-15	55.002	ARH90	3,387	-	3,387
			<u>19,744</u>	<u>-</u>	<u>19,744</u>
Noise Mitigation Phase 2	55.004	420577-1-94-01	2,148	-	2,148
Runway 25 Obstruction Removal	55.004	435625-1-94-01	47,739	-	47,739
Non-Movement Area Rehab	55.004	433158-1-94-01	52,748	-	52,748
Runway 12-30 Resurfacing	55.004	427875-1-94-01	2,140	-	2,140
APRON Rehabilitation	55.004	431215-1-94-01	130,412	-	130,412
Runway 12-30 Lighting	55.004	423958-1-94-01	4,575	-	4,575
Wildlife Hazard Assessment	55.004	433157-1-94-01	2,277	-	2,277
			<u>242,039</u>	<u>-</u>	<u>242,039</u>
Willoughby Extension	55.008	419669-1-48-01	23,057	-	23,057
			<u>23,057</u>	<u>-</u>	<u>23,057</u>
N. Sewalls Point Resurfacing	55.009	429565-1-58-01	202,719	-	202,719
Dixie Hwy Resurf US1 to Cove	55.009	429563-1-58-01	798,942	-	798,942
Dixie Hwy/Indian St Drainage	55.009	427571-1-58-01	143,091	-	143,091
Willoughby Blvd Resurfacing	55.009	429564-1-58-01	981,234	-	981,234
			<u>2,125,986</u>	<u>-</u>	<u>2,125,986</u>
Public Transit Block Grant FY10	55.010	APU07/407189-1-84-02	313,586	-	313,586
76-Kanner	55.026	429786-1-38-01	45,547	-	45,547
<b>Total Florida Department of Transportation</b>			<u>2,769,959</u>	<u>-</u>	<u>2,769,959</u>
<b>Total Expenditures of State Financial Assistance</b>			<u>\$ 4,463,602</u>	<u>\$ -</u>	<u>\$ 4,463,602</u>

## Martin County, Florida

### Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance Year Ended September 30, 2014

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#### 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 year ended September 30, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, *Rules of the Auditor General of the State of Florida*. Because this schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets or cash flows of the County.

#### 2. Summary of Significant Accounting Policies

The 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 OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures/expenses are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.



**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 Chair and Members of  
the Board of County Commissioners  
Martin County, Florida

Honorable William D. Snyder  
Sheriff

Honorable Carolyn Timmann  
Clerk of the Circuit Court

Honorable Vicki Davis  
Supervisor of Elections

Honorable Laurel Kelly  
Property Appraiser

Honorable Ruth Pietruszewski  
Tax Collector

We have audited, 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, 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 year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 31, 2015.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the County's internal controls over financial reporting (internal control) to determine the 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 that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the County'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 determination of financial statement amounts. 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*.

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

*McGladrey LLP*

West Palm Beach, Florida  
March 31, 2015



**Independent Auditor’s Report  
on Compliance For Each Major Federal Program and State  
Project; and on Report on Internal Control Over Compliance;  
and Report on the Schedule of Expenditures of Federal Awards  
and State Financial Assistance Required by OMB Circular A-133  
and Chapter 10.550, Rules of the Auditor General, State of Florida**

Honorable Chair and Members of  
the Board of County Commissioners  
Martin County, Florida

Honorable William D. Snyder  
Sheriff

Honorable Carolyn Timmann  
Clerk of the Circuit Court

Honorable Vicki Davis  
Supervisor of Elections

Honorable Laurel Kelly  
Property Appraiser

Honorable Ruth Pietruszewski  
Tax Collector

***Report on Compliance for Each Major Federal Program and State Project***

We have audited Martin County, Florida’s (the “County”) compliance with the types of compliance requirements described in the *OMB Circular A-133 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 year ended September 30, 2014. The County’s major federal programs and state projects are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

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

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the County’s major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, *Rules of the Auditor General of the State of Florida*. Those standards, OMB Circular A-133 and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program and State Project***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2014.

### ***Report on Internal Control Over Compliance***

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

### ***Report on Schedule of Expenditures of Federal Awards and State Financial Assistance***

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 year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our reported dated March 31, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for the purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General of the State of Florida* 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 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 the auditing standards generally accepted in the United States of America. In our opinion the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

*McGladrey LLP*

West Palm Beach, Florida  
March 31, 2015

**Martin County, Florida**

**Schedule of Findings and Questioned Costs  
Year Ended September 30, 2014**

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**I – Summary of Independent Auditor's Results**

***Financial Statements***

Type of auditor's report issued:		Unmodified
Internal control over financial reporting:		
Material weakness(es) identified?	<u>          </u> Yes	<u>  X  </u> No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<u>          </u> Yes	<u>  X  </u> None Reported
Noncompliance material to financial statements noted?	<u>          </u> Yes	<u>  X  </u> No

***Federal Awards***

Internal control over major programs:		
Material weakness(es) identified?	<u>          </u> Yes	<u>  X  </u> No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<u>          </u> Yes	<u>  X  </u> None Reported
Type of auditor's report issued on compliance for major programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	<u>          </u> Yes	<u>  X  </u> No

The program tested as major included the following:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction
97.036	Disaster Grants-Public Assistance
97.039	Hazard Mitigation Grant

Dollar threshold used to distinguish between type A and type B programs:	\$ 300,000
Auditee qualified as low-risk auditee?	<u>  X  </u> Yes <u>          </u> No

(Continued)



**Martin County, Florida**

**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended September 30, 2014**

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***State Financial Assistance***

Internal control over major projects:

Material weakness(es) identified?	_____	<u>  X  </u>	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ Yes	<u>  X  </u>	None Reported

Type of auditor's report issued on compliance for major projects:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, <i>Rules of the Auditor General of the State of Florida</i> ?	_____ Yes	<u>  X  </u>	No
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The project tested as major included the following:

<u>CSFA Number(s)</u>	<u>Name of State Financial Assistance Project</u>
55.009	Small County Outreach Program
55.010	Public Transit Block Grant

Dollar threshold used to distinguish between type A and type B projects:	\$	300,000
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**II – Financial Statement Findings**

None reported.

**III – Federal Award Findings and Questioned Costs**

None reported

**IV – State Financial Assistance Findings and Questioned Costs**

None reported

**Martin County, Florida**

**Summary Schedule of Prior Year Audit Findings  
Year Ended September 30, 2014**

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**2013-1** U.S. Department of Housing and Urban Development

<b><u>Title:</u></b>	<b><u>CFDA#:</u></b>
<b>Community Development Block Grants</b>	<b>14.228</b>

Finding: We noted there was no semi-annual certification to support the charges of salaries and wages for the one employee that worked solely on this grant program as required under OMB Circular A-87.

Status: Corrective action has been taken.