

# **Martin County, Florida**

Single Audit Reports in Accordance with  
The Uniform Guidance and Chapter 10.550, Rules  
of the Auditor General of the State of Florida

Fiscal Year Ended September 30, 2017

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**Martin County, Florida**

**Schedule of Expenditures of Federal Awards and State Financial Assistance  
Year Ended September 30, 2017**

Federal Grantor/State Agency Pass Through Entity/Program Title	CFDA/ CSFA #	Grant/Contract #	Pass-Through Entity Identifying Number	Expenditures		
				County	Subrecipient	Total
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
Direct awards						
Rural Business-Cooperative Service						
USDA RBDG Food System Feasibility Study	10.351	R085214		\$ 13,653	\$ -	\$ 13,653
<b>Total Department of Agriculture</b>				<b>13,653</b>	<b>-</b>	<b>13,653</b>
<b>U.S. DEPARTMENT OF COMMERCE</b>						
Direct awards						
National Oceanic: NOAA						
NOAA Estuary	11.463	NA11NMF4630234		6,100	-	6,100
<b>Total Department of Commerce</b>				<b>6,100</b>	<b>-</b>	<b>6,100</b>
<b>U.S. DEPARTMENT OF DEFENSE - DEPARTMENT OF THE ARMY</b>						
Direct awards						
Office of the Chief Engineer:						
SLR Oyster Habitat Restoration	12.130	W912EP-15-2-0001		3,153	-	3,153
<b>Total Department of Defense</b>				<b>3,153</b>	<b>-</b>	<b>3,153</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>						
Direct awards						
Office of Community Planning and Development:						
Shelter Plus Care	14.238	FL0118L4H091407		22,817	-	22,817
Shelter Plus Care	14.238	FL0117L4H091508		77,676	-	77,676
Shelter Plus Care	14.238	FL0309L4H091507		87,656	-	87,656
Shelter Plus Care	14.238	FL0118L4H091508		46,139	-	46,139
Shelter Plus Care	14.238	FL0117L4H091609		30,024	-	30,024
Shelter Plus Care	14.238	FL0309L4H091608		22,217	-	22,217
<b>Total Department of Housing and Urban Development</b>				<b>286,529</b>	<b>-</b>	<b>286,529</b>
<b>U.S. DEPARTMENT OF INTERIOR</b>						
Fish and Wildlife Cluster						
Clean Vessel Act	15.616	MV177		8,612	-	8,612
<b>Total Department of Interior</b>				<b>8,612</b>	<b>-</b>	<b>8,612</b>
<b>U.S. DEPARTMENT OF JUSTICE</b>						
Direct award						
Office of Justice Programs, Bureau of Justice Assistance:						
2012 SCAAP	16.606	2012-H4972FL-AP		56,922	-	56,922
Direct awards						
Drug Enforcement Administration:						
US Marshals Warrant	16.000	JLEO-16-0300		42,000	-	42,000
Operation Sea Dog	16.000	JLEO-16-0300		1,906	-	1,906
Operation Safe Street	16.000	Exec Order 12333		23,401	-	23,401
				<b>67,307</b>	<b>-</b>	<b>67,307</b>
Passed through the Florida Department of Law Enforcement:						
Edward Byrne Memorial – Substance Abuse	16.738		2017-JAGC-MART-1-F9-125	59,628	-	59,628
FY16 Edward Byrne – Sheriff	16.579		2016-DJ-BX-0685	21,644	-	21,644
				<b>81,272</b>	<b>-</b>	<b>81,272</b>
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	71,054	-	71,054
<b>Total Department of Justice</b>				<b>276,555</b>	<b>-</b>	<b>276,555</b>

**Martin County, Florida**

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)  
Year Ended September 30, 2017**

Federal Grantor/State Agency Pass Through Entity/Program Title	CFDA/ CSFA #	Grant/Contract #	Pass-Through Entity Identifying Number	Expenditures		
				County	Subrecipient	Total
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>						
Passed through Federal Aviation Administration:						
Noise Mitigation PH2	20.106		AIP-3-12-0076-015-2009	68,395	-	68,395
FAA 12-30 Rehab Runway	20.106		AIP-3-12-0076-019-2015	93,470	-	93,470
FAA 12-30 Wildlife Hazard Management	20.106		AIP-3-12-0076-020-2016	24,453	-	24,453
				<u>186,318</u>	<u>-</u>	<u>186,318</u>
Direct Awards						
Highway Planning and Construction Cluster:						
MPO Transportation Planning (FY17/FY18)	20.205	GOB29		499,860	-	499,860
CR-707 – Sidewalk (LAP)	20.205	AP-895		4,510	-	4,510
Mapp Road Bike Lane/Sidewalk	20.205	G-OK21		45,557	-	45,557
Kindred St Johnson Ave Improvement	20.205	G-OK33		31,547	-	31,547
Total Highway Planning and Construction Cluster				<u>581,474</u>	<u>-</u>	<u>581,474</u>
MPO Section 5305 FY16-FY20	20.505	G0356		-	62,735	62,735
Federal Transit Cluster						
Section 5307 FY 10/11	20.507	FL-90-X786		133,603	-	133,603
Section 5307 FY11/12	20.507	FL-90-X813-00		613,416	-	613,416
Section 5307 FY 12/13	20.507	FL-90-X854		135,128	-	135,128
Section 5307 FY 13/14	20.507	FL-90-X880-00		414,572	-	414,572
Section 5307 FY 14/15	20.507	FL-2016-038-00		4,760	-	4,760
Total Federal Transit Cluster				<u>1,301,479</u>	<u>-</u>	<u>1,301,479</u>
Section 5311 FDOT JPA	20.509	ARU53		72,761	-	72,761
Section 5310 - Mobility Mgmt Program	20.513	GOH24		19,823	-	19,823
Transit Services Program Cluster:						
Section 5317 – New Freedom	20.521	FL-57-X047		-	17,553	17,553
Section 5317 – New Freedom	20.521	FL-57-X051		-	18,008	18,008
Total Transit Services Program Cluster				<u>-</u>	<u>35,561</u>	<u>35,561</u>
<b>Total Department of Transportation</b>				<u>2,161,855</u>	<u>98,296</u>	<u>2,260,151</u>
<b>ENVIRONMENTAL PROTECTION AGENCY</b>						
Office of Water						
National Estuary Program						
EPA IRLNEP Manatee Creek Tech Assmt	66.456	IRL2016-001		49,873	-	49,873
EPA IRLNEP Savannas REG REST Ph1	66.456	IRL2016-002		36,157	-	36,157
				<u>86,030</u>	<u>-</u>	<u>86,030</u>
Nonpoint Source Implementation						
AAD Retrofit EPA-FDEP 319(H)	66.460	GO414		2,338,772	-	2,338,772
<b>Total Environmental Protection Agency</b>				<u>2,424,802</u>	<u>-</u>	<u>2,424,802</u>

**Martin County, Florida**

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)  
Year Ended September 30, 2017**

Federal Grantor/State Agency Pass Through Entity/Program Title	CFDA/ CSFA #	Grant/Contract #	Pass-Through Entity Identifying Number	Expenditures		
				County	Subrecipient	Total
<b>U.S. ELECTION ASSISTANCE COMMISSION (EAC)</b>						
Passed through Florida Department of State, Division of Elections:						
Ballet on Demand	90.401			400	-	400
<b>Total Election Assistance Commission</b>				<b>400</b>	<b>-</b>	<b>400</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		COC43	263,363	-	263,363
Passed through Florida DCA:						
CSBG						
Community Services Block Grant 2016	93.569		16-SB-0D-12-00-01-023	-	21,964	21,964
Community Services Block Grant 2017	93.569		17-SB-0D-12-00-01-023	-	61,239	61,239
				<b>-</b>	<b>83,203</b>	<b>83,203</b>
<b>Total Department of Health and Human Services</b>				<b>263,363</b>	<b>83,203</b>	<b>346,566</b>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>						
Direct Awards						
Emergency Management Preparedness (EMPG)	97.042	17-FG-XX-10-53-01-116		77,285	-	77,285
Emergency Management Preparedness (EMPG)	97.042	18-FG-XX-10-53-01-216		21,900	-	21,900
				<b>99,185</b>	<b>-</b>	<b>99,185</b>
Federal Emergency Management Agency (FEMA)	97.044			697,500	-	697,500
Passed through the Florida Division of Emergency Management						
Operation Stonegarden	97.067		13-DS-B8-08-62-01-453	67,162	-	67,162
<b>Total Department of Homeland Security</b>				<b>863,847</b>	<b>-</b>	<b>863,847</b>
<b>Total Expenditures of Federal Awards</b>				<b>\$ 6,308,869</b>	<b>\$ 181,499</b>	<b>\$ 6,490,368</b>
<b>FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS</b>						
Passed through Division of Emergency Management:						
FY17 Emergency Preparedness	31.063	17-BG-83-10-53-01-049		\$ 64,651	\$ -	\$ 64,651
FY16 Emergency Preparedness	31.063	18-BG-W9-10-53-01-111		27,967	-	27,967
				<b>92,618</b>	<b>-</b>	<b>92,618</b>
FY17 Emergency Management Projects	31.067	17-CP-11-10-53-01-222		4,808	-	4,808
<b>Total Florida Department of Community Affairs</b>				<b>97,426</b>	<b>-</b>	<b>97,426</b>
<b>FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS, DIVISION OF HOUSING FINANCE CORPORATION</b>						
Passed through State Housing Initiative Program:						
State Housing Initiative Program (SHIP) FY15	40.901	N/A		76,400	-	76,400
State Housing Initiative Program (SHIP) FY16	40.901	N/A		373,054	-	373,054
State Housing Initiative Program (SHIP) FY17	40.901	N/A		296,307	-	296,307
<b>Total Florida Department of Community Affairs - Housing Finance</b>				<b>745,761</b>	<b>-</b>	<b>745,761</b>

Martin County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)  
 Year Ended September 30, 2017

Federal Grantor/State Agency Pass Through Entity/Program Title	CFDA/ CSFA #	Grant/Contract #	Pass-Through Entity Identifying Number	Expenditures		
				County	Subrecipient	Total
<b>FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION</b>						
Direct Programs:						
Beach Management Funding Assistance Program – BathTub Sailfish Point	37.003	15M11		16,319	-	16,319
Beach Management Funding Assistance Program – St Lucie Inlet	37.003	16M15		4,456,250	-	4,456,250
				<u>4,472,569</u>	<u>-</u>	<u>4,472,569</u>
Statewide Surface Water Restoration and Wastewater Projects:						
Oyster Reef Restoration	37.039	4600002796		607	-	607
North River Shores Phase II Vacuum Sewer System	37.039	S0872		192,007	-	192,007
AAD Water Quality Improvement	37.039	SO758		291,815	-	291,815
				<u>484,429</u>	<u>-</u>	<u>484,429</u>
<b>Total Florida Department of Environmental Protection</b>				<u>4,956,998</u>	<u>-</u>	<u>4,956,998</u>
<b>FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY</b>						
DEO Indiantown Tactical Urbanism	40.024	PO235		14,993	-	14,993
<b>Total Florida Department of Economic Opportunity</b>				<u>14,993</u>	<u>-</u>	<u>14,993</u>
<b>FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES</b>						
Mosquito Control Work Program	42.003	FDACS013082		31,540	-	31,540
<b>Total Florida Department of Agriculture and Consumer Services</b>				<u>31,540</u>	<u>-</u>	<u>31,540</u>
<b>FLORIDA DEPARTMENT OF STATE, DIVISION OF LIBRARY AND INFORMATION</b>						
Direct Programs:						
State Aid to Libraries	45.030	15-ST-32		8,122	-	8,122
State Aid to Libraries	45.030	16-ST-31		45,627	-	45,627
State Aid to Libraries	45.030	17-ST-30		45,175	-	45,175
<b>Total Florida Department of State, Division of Library and Information</b>				<u>98,924</u>	<u>-</u>	<u>98,924</u>
<b>FLORIDA DEPARTMENT OF TRANSPORTATION</b>						
Transportation Disadvantaged Planning FY15-16	55.002	GON69		6,405	-	6,405
Transportation Disadvantaged Planning FY16-17	55.002	GOC68		16,654	-	16,654
				<u>23,059</u>	<u>-</u>	<u>23,059</u>
Direct Programs:						
Non-Movement Area Rehab	55.004	433158-1-94-01		238,147	-	238,147
Noise Mitigation PH2	55.004	420577-1-94-01		3,801	-	3,801
Runway 7-25 Lighting	55.004	425725-1-94-01		58,999	-	58,999
Runway 12-30 Resurfacing	55.004	427875-1-94-01		1,275	-	1,275
Mill/Resurface Runway 16/374	55.004	427884-1-94-01		3,680	-	3,680
Security Improvements	55.004	437889-1-94-01		499	-	499
Runway 30-34 Lighting	55.004	439888-1-94-01		40,000	-	40,000
Aviation Way	55.004	439890-1-94-01		79,707	-	79,707
Runway 25	55.004	437980-1-94-01		30,144	-	30,144
Taxiway A	55.004	431035-1-94-01		257,059	-	257,059
Airport Equipment	55.004	439889-1-94-01		60,000	-	60,000
Customs	55.004	431001-1-94-02		117,673	-	117,673
				<u>890,984</u>	<u>-</u>	<u>890,984</u>
Kanner Hwy Interchange	55.008	ARR-71		1,052,139	-	1,052,139
CR-714/CR-609 Resurfacing	55.009	G-0989		162,276	-	162,276
Bridge Road Resurfacing	55.009	G-0D98		493,867	-	493,867
Seabranh Blvd Resurfacing	55.009	G-0G82		611,911	-	611,911
				<u>1,268,054</u>	<u>-</u>	<u>1,268,054</u>
Public Transit Block Grant FY15-19	55.010	AUR54/407189-1-84-01		212,966	-	212,966
MC Treasure Coast Express	55.013	ARQ88		239,041	-	239,041
Economic Development Transportation Fund - Britt Road Brige Replacement	55.032	G0H06		17,668	-	17,668
<b>Total Florida Department of Transportation</b>				<u>3,703,911</u>	<u>-</u>	<u>3,703,911</u>

**Martin County, Florida**

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)  
Year Ended September 30, 2017**

Federal Grantor/State Agency Pass Through Entity/Program Title	CFDA/ CSFA #	Grant/Contract #	Pass-Through Entity Identifying Number	Expenditures		
				County	Subrecipient	Total
<b>FLORIDA DEPARTMENT OF HEALTH, BUREAU OF EMERGENCY MEDICAL</b>						
Direct Programs:						
Emergency Medical Services	64.003	FDH C2043		2,094	-	2,094
Emergency Medical Services	64.003	FDH C4043		25,218	-	25,218
<b>Total Florida Department of Health, Bureau of Emergency Medical</b>				<b>27,312</b>	<b>-</b>	<b>27,312</b>
<b>DEPARTMENT OF MANAGEMENT SERVICES</b>						
Wireless 911 Emergency Telephone Services 2014/15	72.002	S7-14-12-2		18,730	-	18,730
Wireless 911 Emergency Telephone Services 2015/16	72.002	S8-15-12-03		4,404	-	4,404
<b>Total Department of Management Services</b>				<b>23,134</b>	<b>-</b>	<b>23,134</b>
<b>FISH AND WILDLIFE CONSERVATION COMMISSION</b>						
Derelict Vessel Removal	77.005	FFWC-15106		51,675	-	51,675
Artificial Reef Construction	77.007	FFWC-15106		8,686	-	8,686
<b>Total Fish and Wildlife Conservation Commission</b>				<b>60,361</b>	<b>-</b>	<b>60,361</b>
<b>Total Expenditures of State Financial Assistance</b>				<b>\$ 9,760,360</b>	<b>\$ -</b>	<b>\$ 9,760,360</b>

See notes to schedule of expenditures of federal awards and state financial assistance.

**Martin County, Florida**

**Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance  
Year Ended September 30, 2017**

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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, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, *Rules of the Auditor General 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 position 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 the Uniform Guidance, *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.

**3. Indirect Cost Recovery**

The County did not recover its indirect costs using the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.



**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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 30, 2018.

***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.

*RSM US LLP*

West Palm Beach, Florida  
May 30, 2018

**Report on Compliance For Each Major Federal Program and State Project; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, State of Florida**

**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

***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 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 the County's major federal program and each major state project for the year ended September 30, 2017. The County's major federal program 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs and state projects.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the County's major federal program and each major state project 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General of the State of Florida*. Those standards, the Uniform Guidance 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 its major federal program and each of its major state projects for the year ended September 30, 2017.

### ***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 each 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 the Uniform Guidance 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 be material weaknesses. However, material weaknesses may exist that have not been identified.

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

***Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550***

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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report dated May 30, 2018, 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 the Uniform Guidance 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.

*RSM US LLP*

West Palm Beach, Florida

June 21, 2018, except for our report on the Schedule of Expenditures of Federal Awards and State Financial Assistance, for which the date is May 30, 2018

**Martin County, Florida**

**Schedule of Findings and Questioned Costs  
Year Ended September 30, 2017**

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

***Federal Awards***

Internal control over major programs:		
Material weakness(es) identified?	_____ Yes	_____ <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 programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ 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>
66.460	Nonpoint Source Implementation Grant AAD Retrofit EPA-FDEP 319(H)

Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	_____ <u>X</u> Yes _____ No

(Continued)

**Martin County, Florida**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended September 30, 2017**

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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>
37.003	Beach Management Funding Assistance Program
37.039	Statewide Surface Water Restoration and Wastewater Projects
55.009	Small County Outreach Program (SCOP)

Dollar threshold used to distinguish between type A and type B projects:	\$ 300,000
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**Martin County, Florida**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended September 30, 2017**

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**II – Financial Statement Findings**

A. Internal Control over Financial Reporting

No matters to report.

B. Compliance and Other Matters

No matters to report.

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

No matters to report.

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

No matters to report.



**Martin County, Florida**

**Summary Schedule of Prior Year Audit Findings  
Year Ended September 30, 2017**

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None reported.