

Martin County

Schedule of Expenditures of Federal Awards and State Financial Assistance Year Ended September 30, 2013

Federal Grantor/State Agency Pass through Entity/Program Title	CFDA/ CSFA #	Grant/Contract #	Expenditures		
			County	Subrecipient	Total
U.S. DEPARTMENT OF COMMERCE					
Direct awards					
National Oceanic: NOAA					
Economic Development Administration	11.307	04-79-06326	\$ 13,092	\$ -	\$ 13,092
NOAA Estuary	11.463	NA11NMF4630234	170,354	-	170,354
Total Department of Commerce			183,446	-	183,446
ELECTION ASSISTANCE COMMISSION (EAC)					
Passed through the Florida Department of State					
Division of Elections:					
Help America Vote Act (HAVA) Federal Elections Activities	90.401	N/A	7,119	-	7,119
Total Election Assistance Commission			7,119	-	7,119
U.S. DEPARTMENT OF HOMELAND SECURITY					
Passed through Florida Department of Community Affairs:					
Kitching Creek #11HM2W105301001	97.039	11-HM-2W-10-53-01-001	89	-	89
Old Palm City HMPG	97.039	11HM-2Y-10-53-01-007	15,781	-	15,781
			15,870	-	15,870
Passed through the Florida Department of Financial Services					
Homeland Security	97.067	011-DS-9Z-13-00-16-436	-	49,945	49,945
Passed through the Florida Division of Emergency Management					
Homeland Security - 2009-2012 Haz Mat Team	97.067	10DS-39-10-13-00-315	-	6,993	6,993
Homeland Security	97.067	011-DZ-9Z-10-53-01-389	-	17,000	17,000
FED - Operation Stonegarden	97.067	2011-SS-00067	-	89,206	89,206
			-	163,144	163,144
Emergency Management Preparedness (EMPG)	97.042	13-FG-86-10-53-01-110	45,000	-	45,000
			45,000	163,144	208,144
Direct award					
Federal Emergency Management Agency					
Homeland Security - Safer Grant	97.083	ENW-2008-FF-00463	229,160	-	229,160
Homeland Security Hurricane Isaac (FEMA-4084-DR-FL)	N/A	13-IS-3S-10-53-02-531	113,730	-	113,730
Total Department of Homeland Security			403,760	163,144	566,904
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed through Florida Department of Revenue, Administration for Children and Families:					
Child Support Enforcement Program (Title IV-D)	93.563	CD343	205,882	-	205,882
Passed through Florida DCA:					
CSBG Cluster					
Community Services Block Grant	93.569	11-SB-8G-12-00-01-023	-	74,937	74,937
Voting Access for Individuals with Disabilities_Grants to States	93.617	HHS-2008-ACF-ADD-VOTE-0135	5,529	-	5,529
Total Department of Health and Human Services			211,411	74,937	286,348

(Continued)

Martin County

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Year Ended September 30, 2013**

Federal Grantor/State Agency Pass through Entity/Program Title	CFDA/ CSFA #	Grant/Contract #	Expenditures		
			County	Subrecipient	Total
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Direct awards					
Office of Community Planning and Development:					
Shelter Plus Care	14.238	FL0117C4H091104	55,714	-	55,714
Shelter Plus Care	14.238	FL0118C4H091104	58,481	-	58,481
Shelter Plus Care	14.238	FL0118C4H091003	34,417	-	34,417
Shelter Plus Care	14.238	FL0309C4H091103	69,874	-	69,874
Shelter Plus Care	14.238	FL0309L4H091204	36,363	-	36,363
Shelter Plus Care	14.238	FL0117L4H091205	36,094	-	36,094
			<u>290,943</u>	<u>-</u>	<u>290,943</u>
Passed through Florida Department of Community Affairs:					
Community Development Block Grant	14.228	11DB-C5-10-53-01-C03	682,641	-	682,641
Community Development Block Grant	14.228	10DB-4X--10-53-01-F14	216,112	-	216,112
Community Development Block Grant	14.228	B-11-UN-12-0026	1,427,171	-	1,427,171
			<u>2,325,924</u>	<u>-</u>	<u>2,325,924</u>
Total Department of Housing and Urban Development			<u>2,616,867</u>	<u>-</u>	<u>2,616,867</u>
U.S. DEPARTMENT OF INTERIOR					
Fish and Wildlife Service					
Sport Fish Restoration	15.605	FWC-12101	60,000	-	60,000
Clean Vessel Act	15.616	MV073	30,182	-	30,182
			<u>90,182</u>	<u>-</u>	<u>90,182</u>
U.S. DEPARTMENT OF JUSTICE					
Direct award:					
Office of Justice Programs, Bureau of Justice Assistance: 2012 SCAAP	16.606	2012-H4972-FL-AP	120,097	-	120,097
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	12,284	-	12,284
Equitable Sharing	16.000	FL0430000	89,803	-	89,803
			<u>147,087</u>	<u>-</u>	<u>147,087</u>
Passed through the Florida Department of Law Enforcement:					
Edward Byrne Memorial Grant	16.579	2013-JAGC-MART-1-D7-153	71,010	-	71,010
DOJ	16.579	FY12 BYRNE GRANT	18,210	-	18,210
DOJ	16.579	2011-DJ-BX-2392	21,887	-	21,887
			<u>111,107</u>	<u>-</u>	<u>111,107</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	76,736	-	76,736
DJJ Food Service Fund	16.UNKNOWN		25,113	-	25,113
DOJ - DEA Marijuana	16.UNKNOWN		1,785	-	1,785
DOJ - Operation SEA DOG	16.UNKNOWN		5,653	-	5,653
			<u>487,578</u>	<u>-</u>	<u>487,578</u>
U.S. DEPARTMENT OF TRANSPORTATION					
Passed through Federal Aviation Administration:					
Noise Mitigation Phase 2	20.106	AIP 3-12-0076-015-2009	666,001	-	666,001
FAA MSTR PLAN UPDATE	20.106	AIP 3-12-0076-013-2009	1,005	-	1,005
FAA EMAS	20.106	AIP 3-12-0076-016-2010	96,402	-	96,402
			<u>763,408</u>	<u>-</u>	<u>763,408</u>

(Continued)

Martin County

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Year Ended September 30, 2013

Federal Grantor/State Agency Pass Through Entity/Program Title	CFDA/ CSFA #	Grant/Contract #	Expenditures		
			County	Subrecipient	Total
Federal Transit Administration:					
Section 5303 FY11	20.505	FM#41373311401	30,443	-	30,443
Section 5307 FY 05/06	20.507	FL-90-X586-00	1,050	-	1,050
Section 5307 FY 06/07	20.507	FL-90-X639-00	48,641	-	48,641
Section 5307 FY 07/08	20.507	FL-90-X677-00	7,602	-	7,602
Section 5307 FY 08/09	20.507	FL-90-X703-00	250	-	250
Section 5307 FY 09/10	20.507	FL-90-X745-00	189,318	-	189,318
Section 5307 FY 10/11	20.507	FL-90-X786	131,703	-	131,703
			<u>378,564</u>	<u>-</u>	<u>378,564</u>
Section 5311 FDOT JPA FY 08-FY14	20.509	FM#425977-1-84-01 (APG54)	53,605	-	53,605
MPO Transportation Planning (12/13 and FY14)	20.205	AA081/ FM#427829-1-14-01	251,620	-	251,620
CR-A1A (US1 TO SATURN)(LAP)	20.205	431649-1-58-01	-	-	-
Palm Beach CRA Sidewalk	20.205	AQV-85/ FM#427664-1-58/68/01	142,638	-	142,638
Seabranh-East Coast Greenway/ PH2	20.205	425263-3-58-01	574,450	-	574,450
Jensen Beach Blvd Sidewalk and Land	20.205	425264-1-58-01	264,037	-	264,037
Downtown Stuart Pedestrian Sidewalk	20.205	FM#427932-1-58-01	-	-	-
			<u>1,232,745</u>	<u>-</u>	<u>1,232,745</u>
Section 5317 - NEW FREEDOM	20.521	FL-57-X033-00	47,358	-	47,358
Total Department of Transportation			<u>2,506,123</u>	<u>-</u>	<u>2,506,123</u>
Total Expenditures of Federal Awards			<u>\$ 6,506,486</u>	<u>\$ 238,081</u>	<u>\$ 6,744,567</u>
FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS					
Passed through Division of Emergency Management:					
FY13 Emergency Preparedness	31.063	13-BG-83-10-53-01-043	\$ 73,125	\$ -	\$ 73,125
FY14 Emergency Preparedness	31.063	14-BG-83-10-53-01-043	32,649	-	32,649
Hurricane Issac FEMA	31.063	13-IS-3S-1 0-53-02-531	16,705	-	16,705
Hurricane Issac FEMA	31.063	13-IS-3S-1 0-53-02-532	2,250	-	2,250
			<u>124,729</u>	<u>-</u>	<u>124,729</u>
HAZMAT	31.067	13-CP-11-10-53-01-249	3,919	-	3,919
Total Florida Department of Community Affairs			<u>128,648</u>	<u>-</u>	<u>128,648</u>
FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS, DIVISION OF HOUSING FINANCE CORPORATION					
Passed through State Housing Initiative Program:					
State Housing Initiative Program (SHIP) 11/12	52.901	N/A	129,006	-	129,006
State Housing Initiative Program (SHIP) FY14	52.901	N/A	23,966	-	23,966
Total Florida Department of Community Affairs - Division of Housing Finance Corporation			<u>152,972</u>	<u>-</u>	<u>152,972</u>
FLORIDA DEPARTMENT OF HEALTH, BUREAU OF EMERGENCY MEDICAL					
Direct Programs:					
Emergency Medical Services Award FY10	64.005	FDH C9043	32,071	-	32,071
Total Florida Department of Health, Bureau of Emergency Medical			<u>32,071</u>	<u>-</u>	<u>32,071</u>

(Continued)

Martin County

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Year Ended September 30, 2013**

Federal Grantor/State Agency Pass Through Entity/Program Title	CFDA/ CSFA #	Grant/Contract #	Expenditures		
			County	Subrecipient	Total
FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION					
Direct Programs:					
Beach Erosion Control:					
Bathub Beach Nourishment	37.003	12MI2	44,456	-	44,456
St. Lucie Inlet Beach Management	37.003	13MI1	48,078	-	48,078
Shore Protection	37.003	12MI1	193,112	-	193,112
			<u>285,646</u>	<u>-</u>	<u>285,646</u>
Statewide Surface Water Restoration and Wastewater Projects:					
Tropical Farms	37.039	S0361	17,360	-	17,360
Railroad Avenue	37.039	S0644	139,100	-	139,100
Rio St Lucie Stormwater	37.039	S0642	89	-	89
Old Palm City/Danforth Creek	37.039	4600001182	192,647	-	192,647
Kitchen Creek Restoration	37.039	4600000729	132,445	-	132,445
Oyster Reef Restoration	37.039	4600002796	172,038	-	172,038
Cypress Creek Restoration	37.039	4600001635	55,166	-	55,166
Cypress Creek	37.039	4600001243	416,383	-	416,383
Indiantown Treatment Train	37.039	S0534	48,433	-	48,433
			<u>1,173,661</u>	<u>-</u>	<u>1,173,661</u>
Total Florida Department of Environmental Protection			<u>1,459,307</u>	<u>-</u>	<u>1,459,307</u>
FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES					
Mosquito Control: Mosquito Control Arthropod Control	42.003	FDACS013082	3,619	-	3,619
Total Florida Department of Agriculture and Consumer Services			<u>3,619</u>	<u>-</u>	<u>3,619</u>
FLORIDA DEPARTMENT OF STATE, DIVISION OF LIBRARY AND INFORMATION					
Direct Programs:					
State Aid to Libraries	45.030	13-ST-30	69,419	-	69,419
State Aid to Libraries	45.030	12-ST-30	39,709	-	39,709
Total Florida Department of State, Division of Library and Information			<u>109,128</u>	<u>-</u>	<u>109,128</u>
FLORIDA DEPARTMENT OF TRANSPORTATION					
Direct Programs:					
Transportation Disadvantage	55.002	AR267	5,640	-	5,640
Transportation Disadvantaged Planning FY13	55.002	AQP44	15,750	-	15,750
			<u>21,390</u>	<u>-</u>	<u>21,390</u>
Airport Security Improvements	55.004	420581-1-94-01	6,329	-	6,329
Noise Mitigation Phase 2	55.004	420577-1-94-01	17,530	-	17,530
Airport Access Road	55.004	418166-1-84-01	7,293	-	7,293
Airport Rehab	55.004	422487-1-94-01/AQH37	499,250	-	499,250
Design EMAS Runway	55.004	424742-1-94-01/APF04	1,025	-	1,025
Runway Taxiway Lighting	55.004	236338-1-94-01	68,233	-	68,233
Airport	55.004	416293-1-94-01	26	-	26
APRON Rehabilitation	55.004	431215-1-94-01	23,200	-	23,200
ATCT Equipment	55.004	430486-1-94-01	40,000	-	40,000
FDOT NCP Update	55.004	430485-1-94-01	5,212	-	5,212
			<u>668,098</u>	<u>-</u>	<u>668,098</u>
Customs Facility	55.014	431001-1-94-01	26,692	-	26,692
US1/ Kanner	55.008	FM #425863-1-58-01	208,726	-	208,726
Willoughby Extension	55.008	419669-1-38-01	43,821	-	43,821
			<u>252,547</u>	<u>-</u>	<u>252,547</u>
Sunset Trail	55.009	427569-2-58-01	434,644	-	434,644
Public Transit Block Grant FY10	55.010	APU07/407189-1-84-02	233,868	-	233,868
76-Kanner	55.026	429786-1-38-01	143,980	-	143,980
Total Florida Department of Transportation			<u>1,781,219</u>	<u>-</u>	<u>1,781,219</u>
Total Expenditures of State Financial Assistance			<u>\$ 3,666,964</u>	<u>\$ -</u>	<u>\$ 3,666,964</u>

Martin County, Florida

Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance Year Ended September 30, 2013

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, 2013. 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.



**Independent Auditor's Report
on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With
Government Auditing Standards**

Honorable 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, 2013, 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 28, 2014

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 28, 2014



**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, 2013. 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, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2013-1. Our opinion on each major federal program and state project is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2013-1, which we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our reported dated March 28, 2014, 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 28, 2014

Martin County, Florida

**Schedule of Findings and Questioned Costs
Year Ended September 30, 2013**

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> X </u> Yes	<u> </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> X </u> Yes	<u> </u> No

The program tested as major included the following:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block 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, 2013

State Financial Assistance

Internal control over major projects:

Material weakness(es) identified?	<u> </u>	<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 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> ?	<u> </u> 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>
37.039	Statewide Surface Water Restoration and Wastewater Projects
55.004	Aviation Development Grants

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

None reported.

Martin County, Florida

**Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2013**

III – Federal Award Findings and Questioned Costs

2013-1

Allowed Costs

U.S. Department of Housing and Urban Development

Title:
Community Development Block Grants

CFDA#:
14.228

Criteria: OMB Circular A-133 stipulates adequate and effective internal controls must be in place over the applicable compliance requirements. Per OMB Circular A-87, where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

Condition: 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.

Questioned Costs: \$37,099

Context: This condition is considered to be systemic in nature.

Effect: Without appropriate supporting documentation as required by the OMB Circular, the grantor may disallow the costs.

Cause: The County does not have a policy in placed to require semi-annual certifications for employees who work solely on one grant program.

Recommendation: Policies and procedures should be implemented for appropriate internal controls over compliance requirements. The County should adopt a policy to require at a minimum semi-annual certifications are completed as required for employees who work solely on one grant program and establish procedures to monitor to that the certifications are timely completed and retained as evidence of compliance.

Views of responsible officials and planned corrective actions: Detailed time sheets were maintained prior to the individual becoming a full time employee of the County. The employee has created the time sheets that were missing and are now on file. The County has updated the Grant policy and procedures to reflect that any staff time being funded through Federal awards shall be documented with certified time sheets. Certified time sheets will be submitted to the Accounting Department with departmental Oracle Attendance report.

Martin County, Florida

Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2013

IV – State Financial Assistance Findings and Questioned Costs

None reported.

Martin County, Florida

**Summary Schedule of Prior Year Audit Findings
Year Ended September 30, 2013**

None reported.