

MARTIN COUNTY, FLORIDA

**SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
AND RELATED AUDIT REPORTS**

Year Ended September 30, 2018

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Martin County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2018

| Federal Grantor/State Agency Pass Through Entity/Program Title | CFDA/ CSFA # | Grant/Contract # | Expenditures | | |
|---|-----------------|-------------------------|----------------|--------------|----------------|
| | | | County | Subrecipient | Total |
| U.S. DEPARTMENT OF AGRICULTURE | | | | | |
| Rural Business-Cooperative Service | | | | | |
| USDA RBDG Food System Feasibility Study | 10.351 | RO85214 | \$ 23,429 | \$ - | \$ 23,429 |
| Total Department of Agriculture | | | 23,429 | - | 23,429 |
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | | | |
| Direct awards | | | | | |
| Office of Community Planning and Development: | | | | | |
| Shelter Plus Care | 14.238 | HUD S+C FL0118L4H091508 | 58,921 | - | 58,921 |
| Shelter Plus Care | 14.238 | HUD S+C FL0117L4H091609 | 68,626 | - | 68,626 |
| Shelter Plus Care | 14.238 | HUD S+C FL0309L4H091608 | 83,103 | - | 83,103 |
| Shelter Plus Care | 14.238 | HUD S+C FL0118L4H091609 | 53,872 | - | 53,872 |
| Shelter Plus Care | 14.238 | HUD S+C FL0117L4H091710 | 52,462 | - | 52,462 |
| Shelter Plus Care | 14.238 | HUD S+C FL0687L4H091700 | 1,147 | - | 1,147 |
| | | | 318,131 | - | 318,131 |
| Passed through the Florida Department of Economic Opportunity: | | | | | |
| FY18 CDBG Housing Rehabs | 14.228 | 17DB-OL-10-53-01-H 13 | 2,079 | - | 2,079 |
| Total Department of Housing and Urban Development | | | 320,210 | - | 320,210 |
| U.S. DEPARTMENT OF INTERIOR | | | | | |
| Fish and Wildlife Service | | | | | |
| Federal Aid in Sportfish Restoration | 15.605 | FFWCC-17016 | 60,000 | - | 60,000 |
| Total Department of Interior | | | 60,000 | - | 60,000 |
| U.S. DEPARTMENT OF JUSTICE | | | | | |
| Direct award | | | | | |
| Office of Justice Programs, Bureau of Justice Assistance: | | | | | |
| 2012 SCAAP | 16.606 | 2012-H4972FL-AP | 126,445 | - | 126,445 |
| Equitable Sharing | 16.922 | FL04300000 | 40,933 | - | 40,933 |
| USDOJ Adult Drug Court Program | 16.585 | 2017-DC-BX-0014 | 9,900 | - | 9,900 |
| | | | 177,278 | - | 177,278 |
| Passed through the Office of Attorney General, | | | | | |
| Office of Justice Programs, Office of Victims of Crime: | | | | | |
| Victims of Crime Act Grant (VOCA) | 16.575 | O-00185 | 79,885 | - | 79,885 |
| Passed through the Florida Department of Law Enforcement: | | | | | |
| Edward Byrne Memorial - Substance Abuse | 16.738 | 2017-JAGC-MART-1-F9-125 | 5,829 | - | 5,829 |
| Total Department of Justice | | | 262,992 | - | 262,992 |
| U.S. DEPARTMENT OF TRANSPORTATION | | | | | |
| Direct Awards | | | | | |
| Federal Aviation Administration: | | | | | |
| Noise Mitigation PH2 | 20.106 | AIP-3-12-0076-015-2009 | 45,714 | - | 45,714 |
| FAA 12-30 Rehab Runway | 20.106 | AIP-3-12-0076-019-2015 | (3,756) | - | (3,756) |
| FAA 12-30 Wildlife Hazard Management | 20.106 | AIP-3-12-0076-020-2016 | 7,722 | - | 7,722 |
| | | | 49,680 | - | 49,680 |
| Federal Transit Administration: | | | | | |
| Highway Planning and Construction Cluster | | | | | |
| FHWA Signal Damage Federal Aid Roadways | 20.205 | FL-2017-02 | 84,402 | - | 84,402 |
| MPO FY17 and FY18 FHWA Funds | 20.205 | GOB29 | 272,346 | - | 272,346 |
| MPO FY19 and FY20 - FHWA Funds | 20.205 | G0Y82 | 91,784 | - | 91,784 |
| Mapp Rd Bike Lane/Sidewalk (LAP) | 20.205 | G-OK21 | 188,843 | - | 188,843 |
| Kindred St-Johnson Ave Improv (LAP) | 20.205 | GOK33 | 323,287 | - | 323,287 |
| Bridge Road Sidewalk (LAP) | 20.205 | G0U50 | 4,036 | - | 4,036 |
| | | | 964,698 | - | 964,698 |
| MPO Section 5305 FY16-FY20 | 20.505 | G0356 | 90,822 | - | 90,822 |
| Federal Transit Cluster | | | | | |
| Section 5307 FY11 | 20.507 | FL-90-X786 | 1,542 | - | 1,542 |
| Section 5307 FY11/12 | 20.507 | FL-90-X813-00 | 88,174 | - | 88,174 |
| Section 5307 FY13 | 20.507 | FL-90-X854 | 423,895 | - | 423,895 |
| Section 5307 FY14 | 20.507 | FL-90-X880-00 | 30,595 | - | 30,595 |
| Section 5307 FY15 | 20.507 | FL-2016-038-00 | 351,152 | - | 351,152 |
| Section 5307 FY16 | 20.507 | FL-2017-076-00 | 346,084 | - | 346,084 |
| | | | 1,241,442 | - | 1,241,442 |

Martin County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Year Ended September 30, 2018

| Federal Grantor/State Agency Pass Through Entity/Program Title | CFDA/ CSFA # | Grant/Contract # | Expenditures | | |
|---|-----------------|----------------------|------------------|---------------|------------------|
| | | | County | Subrecipient | Total |
| U.S. DEPARTMENT OF TRANSPORTATION (Cont.) | | | | | |
| Direct Awards | | | | | |
| Section 5311 FDOT JPA | 20.509 | ARU53 | \$ 88,148 | \$ - | \$ 88,148 |
| Section 5310 - Mobility Mgmt Program | 20.513 | GOH24 | 23,932 | - | 23,932 |
| Transit Services Program Cluster | | | | | |
| Section 5317 - New Freedom | 20.521 | FL-57-X047 | - | 5,376 | 5,376 |
| Section 5317 - New Freedom | 20.521 | FL-57-X051 | - | 13,050 | 13,050 |
| Section 5339 FY15 Bus | 20.526 | FL-2016-031-00 | 97,900 | - | 97,900 |
| Section 5339 FY16 Bus | 20.526 | FL-2017-077-00 | 79,083 | - | 79,083 |
| | | | 176,983 | 18,426 | 195,409 |
| Total Department of Transportation | | | 2,635,705 | 18,426 | 2,654,131 |
| NATIONAL ENDOWMENT FOR THE HUMANITIES | | | | | |
| OPC Ripple Project Our Town | 45.024 | 16-4292-7082 | 48,890 | - | 48,890 |
| OPC Ripple Project Our Town #2 | 45.024 | 17-4292-7128 | 3,704 | - | 3,704 |
| Total National Endowment for the Humanities | | | 52,594 | - | 52,594 |
| ENVIRONMENTAL PROTECTION AGENCY | | | | | |
| Office of Water | | | | | |
| National Estuary Program | | | | | |
| EPA IRLNEP Manatee Creek Tech Assmt | 66.456 | IRL2016-001 | 45,127 | - | 45,127 |
| EPA IRLNEP Savannas REG REST Ph1 | 66.456 | IRL2016-002 | 63,843 | - | 63,843 |
| | | | 108,970 | - | 108,970 |
| Nonpoint Source Implementation Grant | | | | | |
| AAD Retrofit EPA-FDEP 319(H) | 66.460 | G0414 | 146,530 | - | 146,530 |
| Total Environmental Protection Agency | | | 255,500 | - | 255,500 |
| U.S. ELECTION ASSISTANCE COMMISSION (EAC) | | | | | |
| Passed through the Florida Department of State | | | | | |
| Division of Elections: | | | | | |
| HELP AMERICA VOTE ACT (HAVA) revise | 90.401 | | 10,356 | - | 10,356 |
| BALLOT ON DEMAND EQUIPMENT | 90.401 | | 6,069 | - | 6,069 |
| HELP AMERICA VOTE ACT (HAVA) FY17 | 90.401 | | 17,344 | - | 17,344 |
| HELP AMERICA VOTE ACT (Security) | 90.401 | | 14,200 | - | 14,200 |
| HELP AMERICA VOTE ACT (Monitoring) | 90.401 | | 19,300 | - | 19,300 |
| Total Election Assistance Commission | | | 67,269 | - | 67,269 |
| 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 | COC43 | 211,702 | - | 211,702 |
| | | | 211,702 | - | 211,702 |
| Passed through Florida DCA: | | | | | |
| Community Services Block Grant 2017 | 93.569 | 17SB-0D-12-00-01-023 | - | 94,744 | 94,744 |
| Total Department of Health and Human Services | | | 211,702 | 94,744 | 306,446 |
| EXECUTIVE OFFICE OF THE PRESIDENT | | | | | |
| Direct Awards | | | | | |
| High Intensity Drug Trafficking Areas Program | 95.001 | G18M10014A | 153,306 | - | 153,306 |
| Total Executive Office of the President | | | 153,306 | - | 153,306 |

Martin County, Florida
 Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
 Year Ended September 30, 2018

| Federal Grantor/State Agency Pass Through Entity/Program Title | CFDA/ CSFA # | Grant/Contract # | Expenditures | | |
|---|-----------------|-----------------------|----------------------------|--------------------------|----------------------------|
| | | | County | Subrecipient | Total |
| U.S. DEPARTMENT OF HOMELAND SECURITY | | | | | |
| Direct award | | | | | |
| Emergency Management Preparedness (EMPG) | 97.042 | 18-FG-7A-10-53-01-216 | \$ 46,200 | \$ - | \$ 46,200 |
| Emergency Management Preparedness (EMPG) | 97.042 | 19-FG-XX-10-53-01-XXX | 15,204 | - | 15,204 |
| | | | <u>61,404</u> | <u>-</u> | <u>61,404</u> |
| Federal Emergency Management Agency (FEMA) | 97.044 | | <u>728,062</u> | <u>-</u> | <u>728,062</u> |
| Passed through the Florida Division of Emergency Management | | | | | |
| Disaster Grants - Public Assistance FY17 | 97.036 | | 310,872 | - | 310,872 |
| Disaster Grants - Public Assistance FY18 | 97.036 | | <u>2,630,428</u> | <u>-</u> | <u>2,630,428</u> |
| | | | <u>2,941,300</u> | <u>-</u> | <u>2,941,300</u> |
| Operation Stonegarden | 97.067 | 2011-SS-00067 | <u>145,621</u> | <u>-</u> | <u>145,621</u> |
| Total Department of Homeland Security | | | <u>3,876,387</u> | <u>-</u> | <u>3,876,387</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 7,919,094</u> | <u>\$ 113,170</u> | <u>\$ 8,032,264</u> |
| FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS | | | | | |
| Passed through Division of Emergency Management: | | | | | |
| FY17 Emergency Preparedness | 31.063 | 18-BG-W9-10-53-01-111 | 70,406 | - | 70,406 |
| FY18 Emergency Preparedness | 31.063 | | <u>32,416</u> | <u>-</u> | <u>32,416</u> |
| Total Florida Department of Community Affairs | | | <u>102,822</u> | <u>-</u> | <u>102,822</u> |
| FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION | | | | | |
| BTB/SFP Beh Nourishment | 37.003 | 15MI1 | 48,165 | - | 48,165 |
| St. Lucie Inlet FDEP | 37.003 | 15MI3 | 460,528 | - | 460,528 |
| MC Shore Protection | 37.003 | 16MI3 | 103,217 | - | 103,217 |
| BathTub Sailfish Point Beach Nourishment | 37.003 | 19MI2 | <u>121,812</u> | <u>-</u> | <u>121,812</u> |
| | | | <u>733,722</u> | <u>-</u> | <u>733,722</u> |
| Statewide Surface Water Restoration and Wastewater Projects: | | | | | |
| North River Shores Phase II Vacuum Sewer System | 37.039 | S0872 | 698,657 | - | 698,657 |
| Harmful Algal Bloom Mgmt | 37.039 | AB002 | <u>527,662</u> | <u>-</u> | <u>527,662</u> |
| | | | <u>1,226,319</u> | <u>-</u> | <u>1,226,319</u> |
| Hamm Parcel East Ridge | 37.085 | L1701 | <u>1,169,265</u> | <u>-</u> | <u>1,169,265</u> |
| Total Florida Department of Environmental Protection | | | <u>3,129,306</u> | <u>-</u> | <u>3,129,306</u> |
| FLORIDA HOUSING FINANCE CORPORATION | | | | | |
| DIVISION OF ACCOUNTING AND AUDITING | | | | | |
| State Housing Initiative Program (SHIP) FY15 | 40.901 | N/A | 149 | - | 149 |
| State Housing Initiative Program (SHIP) FY16 | 40.901 | N/A | 202,445 | - | 202,445 |
| State Housing Initiative Program (SHIP) FY17 | 40.901 | N/A | 227,458 | - | 227,458 |
| State Housing Initiative Program (SHIP) FY18 | 40.901 | N/A | <u>10,930</u> | <u>-</u> | <u>10,930</u> |
| Total Florida Department of Community Affairs - Housing Finance | | | <u>440,982</u> | <u>-</u> | <u>440,982</u> |
| FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES | | | | | |
| Mosquito Control Work Program | 42.003 | FDACS013082 | <u>52,567</u> | <u>-</u> | <u>52,567</u> |
| Total Florida Department of Agriculture & Consumer Services | | | <u>52,567</u> | <u>-</u> | <u>52,567</u> |
| FLORIDA DEPARTMENT OF STATE, DIVISION OF LIBRARY AND INFORMATION | | | | | |
| State Aid to Libraries | 45.030 | 16-ST-31 | 5,128 | - | 5,128 |
| State Aid to Libraries | 45.030 | 17-ST-30 | 57,980 | - | 57,980 |
| State Aid to Libraries | 45.030 | 18-ST-30 | <u>34,909</u> | <u>-</u> | <u>34,909</u> |
| Total Florida Department of State, Division of Library and Information | | | <u>98,017</u> | <u>-</u> | <u>98,017</u> |

Martin County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Year Ended September 30, 2018

| Federal Grantor/State Agency Pass Through Entity/Program Title | CFDA/ CSFA # | Grant/Contract # | Expenditures | | |
|--|-----------------|------------------|-----------------------------|--------------------|-----------------------------|
| | | | County | Subrecipient | Total |
| FLORIDA DEPARTMENT OF TRANSPORTATION | | | | | |
| Transportation Disadvantaged Planning FY15-16 | 55.002 | GON69 | \$ 12,467 | \$ - | \$ 12,467 |
| Highway Beautification Grant FY16 | 55.003 | AS319 | 100,410 | - | 100,410 |
| | | | <u>112,877</u> | <u>-</u> | <u>112,877</u> |
| FDOT Runway 12-30 Resurfacing | 55.004 | 427875-1-94-01 | 3,701 | - | 3,701 |
| FDOT Runway 30/34 439888-1-94-01 | 55.004 | 439888-1-94-01 | 222 | - | 222 |
| FDOT Runway 25 437980-1-94-01 | 55.004 | 437980-1-94-01 | 44,301 | - | 44,301 |
| FDOT Taxiway A 431035-1-94-01 Modif | 55.004 | 431035-1-94-01 | 887,998 | - | 887,998 |
| FDOT FY17 Customs 431001-1-94-02 | 55.004 | 431001-1-94-02 | 1,285,388 | - | 1,285,388 |
| FDOT Airport Ops Center Phase 1 | 55.004 | 440110-1-94-01 | 214,989 | - | 214,989 |
| FDOT RPZ-RSA Stormwater Obstruction | 55.004 | 440026-1-94-01 | 26,792 | - | 26,792 |
| FDOT Airport Security Fence | 55.004 | 437963-1-94-01 | 27,082 | - | 27,082 |
| FDOT Airport Taxiway D Improv | 55.004 | 431515-1-94-01 | 732,404 | - | 732,404 |
| | | | <u>3,222,877</u> | <u>-</u> | <u>3,222,877</u> |
| SW Mapp Rd Resurfacing (SCOP) | 55.009 | G-0Q51 | 426,846 | - | 426,846 |
| Public Transit Block Grant FY15-19 | 55.010 | AUR54 | 254,604 | - | 254,604 |
| MC Treasure Coast Express | 55.013 | ARQ88 | 353,124 | - | 353,124 |
| Economic Development Transportation Fund: Britt Road Bridge Replacement | 55.032 | G0H06 | 1,360,255 | - | 1,360,255 |
| | | | <u>2,394,829</u> | <u>-</u> | <u>2,394,829</u> |
| Total Florida Department of Transportation | | | <u>5,730,583</u> | <u>-</u> | <u>5,730,583</u> |
| FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES | | | | | |
| DCF Substance Abuse Reinvestment Grant | 60.115 | | 375,294 | - | 375,294 |
| Total Florida Department of Children and Families | | | <u>375,294</u> | <u>-</u> | <u>375,294</u> |
| FLORIDA DEPARTMENT OF HEALTH, BUREAU OF EMERGENCY MEDICAL | | | | | |
| Emergency Medical Services Trust Fund | 64.003 | FDH C5043 | 2,876 | - | 2,876 |
| Emergency Medical Services Trust Fund | 64.003 | FDH C6043 | 24,268 | - | 24,268 |
| Total Florida Department of Health, Bureau of Emergency Medical | | | <u>27,144</u> | <u>-</u> | <u>27,144</u> |
| FLORIDA DEPARTMENT OF MANAGEMENT SERVICES | | | | | |
| Wireless 911 Emergency Telephone Services 2015/16 | 72.002 | S8-15-12-03 | 3,303 | - | 3,303 |
| Wireless 911 Emergency Telephone Services 2017/18 | 72.002 | S10-17-12-12 | 380,883 | - | 380,883 |
| Total Florida Department of Management Services | | | <u>384,186</u> | <u>-</u> | <u>384,186</u> |
| Total Expenditures of State Financial Assistance | | | <u>\$ 10,340,901</u> | <u>\$ -</u> | <u>\$ 10,340,901</u> |

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, 2018

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") includes the grant activity of federal award programs and state financial assistance projects of Martin County, Florida (the County) for the year ended September 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, *Rules of the Auditor General*. Because the Schedule presents only a select portion of the activities of the County, it is not intended to, and does not, present the total expenditures of the County.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This Schedule is presented using the modified accrual basis of accounting for expenditures accounted for in governmental type funds and on the accrual basis of accounting for expenses of the proprietary fund types. Such expenditures/expenses are recognized following the cost principles contained in the Uniform Guidance, *Cost Principles for State, Local, and Indian Tribal Governments*, whereas certain types of expenditures/expenses are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE ELECTION

The County did not elect to use the de minimis rate of 10% for determining indirect cost amounts for its federal programs.



Certified Public Accountants

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

Honorable Board of County Commissioners
Martin County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of Martin County, Florida (the County) as of and for the year ended September 30, 2018, 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, 2019.

Internal Control over Financial Reporting

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

Honorable Board of County Commissioners
Martin County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

We noted certain other matters that we reported to County management in a separate letter dated March 28, 2019.

Purpose of this Report

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

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A." in a cursive script.

MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Orlando, Florida
March 28, 2019



Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE; REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

Honorable Board of County Commissioners
Martin County, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the compliance of Martin County, Florida (the County) with the types of compliance requirements described in the OMB *Compliance Supplement* and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2018. 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and the Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, 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 of 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, 2018.

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 in the first paragraph. 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 and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our 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, *Rules of the Auditor General*, 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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. 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, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the County as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 28, 2019, 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 purposes of additional analysis, as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the basic financial statements.

Honorable Board of County Commissioners
Martin County, Florida

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General (Cont.)

Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and State Financial Assistance is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A.".

MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Orlando, Florida

April 26, 2019, except for our report on the Schedule of Expenditures of Federal Awards and State Financial Assistance, for which the date is March 28, 2019

MARTIN COUNTY, FLORIDA
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2018

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued:

Unmodified Opinion

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards and State Financial Assistance

Internal control over major programs/projects:

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

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

Unmodified Opinion

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

Yes No

Identification of Major Federal Programs and Major State Projects:

CFDA Numbers

Name of Federal Programs

20.507 Federal Transit Formula Grants
 97.036 Disaster Grants - Public Assistance

CSFA Numbers

Name of State Projects

37.085 Fixed Capital Outlay Local Parks
 40.901 State Housing Initiatives Partnership (SHIP)
 55.004 Aviation Grant Programs
 55.013 Transit Corridor Development Program
 55.032 Economic Development Transportation Fund
 60.115 Criminal Justice, Mental Health, and Substance Abuse
 Reinvestment Grant Program

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

\$750,000

State

\$310,227

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

Yes No

MARTIN COUNTY, FLORIDA
Schedule of Findings and Questioned Costs (*Continued*)
For the Year Ended September 30, 2018

SECTION II - FINANCIAL STATEMENT FINDINGS

None Reported.

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

None Reported.

SECTION IV - PRIOR-YEAR AUDIT FINDINGS

None Reported.