

FINANCIAL STATEMENTS

**MARTIN COUNTY INDUSTRIAL DEVELOPMENT
AUTHORITY**

September 30, 2014

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May 26, 2015

To the Chairman and Board Members
Martin County Industrial Development Authority
Stuart, Florida

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Martin County Industrial Development Authority (the Authority), as of and for the fiscal year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Martin County Industrial Development Authority as of September 30, 2014, and the respective changes in financial position for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2015, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Hill, Barth & King LLC

Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

MARTIN COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

September 30, 2014

As management of the Martin County Industrial Development Authority (Authority), we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2014. It should be considered in conjunction with the Authority's basic financial statements and required supplementary information.

Overview of the Financial Statements

Required financial statements for the Authority are described below:

The *statement of net position* presents information on all assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial condition of the Authority is improving or deteriorating.

The *statement of activities* presents information showing how the Authority's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the event occurs, regardless of the timing of the related cash flows.

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements present financial information for the general fund and provide information on the current assets and liabilities of the fund, changes in current financial resources (revenues and expenditures), and current available resources. The general fund is used to account for the same functions reported in the Statement of Net Position and Statement of Activities. However, unlike the Statement of Net Position and Statement of Activities, the fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because this information does not encompass the additional long-term focus of the government-wide statements, a detailed reconciliation provides additional information that explains the relationship (or differences) between the statements.

Financial Analysis

As noted above, net position may serve over time as a useful indicator of a government's financial position. The assets of the Authority exceeded its liabilities at September 30, 2014 by \$28,156. This amount represents the Authority's net position at September 30, 2014. Of the total net position, all is unrestricted and may be used to meet the Authority's obligations. At September 30, 2014, the Authority had no net position classified as invested in capital assets or restricted. The decrease in assets was due to an increase in cash at September 30, 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

MARTIN COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

September 30, 2014

Martin County Industrial Development Authority's Net Position

	<u>2014</u>	<u>2013</u>	<u>Decrease</u>
Current assets	\$ 28,156	\$ 36,803	\$ (8,647)
Total assets	<u>\$ 28,156</u>	<u>\$ 36,803</u>	<u>\$ (8,647)</u>
Net position:			
Unrestricted	\$ 28,156	\$ 36,803	\$ (8,647)
Total net position	<u>\$ 28,156</u>	<u>\$ 36,803</u>	<u>\$ (8,647)</u>

Martin County Industrial Development Authority's Changes in Net Position

	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>
Program Revenues:			
Bond application fees	\$ 5,000	\$ 60,000	\$ (55,000)
General Revenues:			
Interest income	9	9	0
Miscellaneous income	<u>0</u>	<u>38</u>	<u>(38)</u>
Total revenues	<u>5,009</u>	<u>60,047</u>	<u>(55,038)</u>
Expenses:			
Advertisements/legal ad posting	754	686	68
Annual special district fee	175	175	0
Clerk of Court	50	60	(10)
Meeting expenses	238	405	(167)
Miscellaneous expense	0	155	(155)
BDBMC fees	5,000	40,000	(35,000)
BOCC legal fees	0	833	(833)
IDA legal fees	<u>7,439</u>	<u>0</u>	<u>7,439</u>
Total expenses	<u>13,656</u>	<u>42,314</u>	<u>(28,658)</u>
Change in net position	(8,647)	17,733	26,380
Net position - beginning of year	<u>36,803</u>	<u>19,070</u>	<u>17,733</u>
Net position - end of year	<u>\$ 28,156</u>	<u>\$ 36,803</u>	<u>\$ (8,647)</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

MARTIN COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

September 30, 2014

Total revenues decreased from the prior year by \$55,038. Total expenses decreased from prior year by \$28,658. Key elements of these increases are as follows:

The decrease in revenue was due to the timing of the bond closing for Jensen Dunes after year end. The decrease in expense is due primarily to the timing of bond service fee allocation to the Business Development Board of Martin County which occurred after year end.

Capital Assets and Debt Administration

Capital Assets - The Authority's capitalization threshold is \$500 and there was no capital asset activity during the year.

Debt Administration - The Authority has no outstanding long-term debt or activity during the year.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Development & Finance Manager of the Business Development Board of Martin County, at 1002 SE Monterey Commons Blvd., Suite 203, Stuart, FL 34996.

STATEMENT OF NET POSITION

MARTIN COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

September 30, 2014

ASSETS

Cash and cash equivalents		<u>\$ 28,156</u>
	TOTAL ASSETS	<u><u>\$ 28,156</u></u>

NET POSITION

Unrestricted		<u>\$ 28,156</u>
	TOTAL NET POSITION	<u><u>\$ 28,156</u></u>

See accompanying notes to financial statements

STATEMENT OF ACTIVITIES

MARTIN COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

Year ended September 30, 2014

EXPENSES

Economic Development:

Operating expenses	\$ 12,439
Other	1,217

TOTAL EXPENSES	<u>13,656</u>
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PROGRAM REVENUES

Charges for services	<u>5,000</u>
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NET PROGRAM REVENUES	<u>5,000</u>
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GENERAL REVENUES

Interest income	<u>9</u>
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TOTAL GENERAL REVENUES	<u>9</u>
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CHANGE IN NET POSITION	(8,647)
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Net position, October 1, 2013	<u>36,803</u>
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Net position, September 30, 2014	<u><u>\$ 28,156</u></u>
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See accompanying notes to financial statements

BALANCE SHEET
GENERAL FUND

MARTIN COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

September 30, 2014

ASSETS

Cash and cash equivalents	\$	28,156
Accounts receivable		61,730
	TOTAL ASSETS	<u>\$ 89,886</u>

FUND BALANCE

Unassigned		\$ 89,886
	TOTAL FUND BALANCE	<u>\$ 89,886</u>

See accompanying notes to financial statements

RECONCILIATION OF THE BALANCE SHEET - GENERAL FUND
TO THE STATEMENT OF NET POSITION

MARTIN COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

September 30, 2014

Fund Balance - Total General Fund	\$ 89,886
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Amounts reported for governmental activities in the statement of net position are different because:

Accounts receivable in governmental activities is not recorded until the revenue is earned; however, accounts receivable in governmental funds is recorded when the revenue is measurable and available.	(61,730)
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Net Position of Governmental Activities	<u>\$ 28,156</u>
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See accompanying notes to financial statements

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUND

MARTIN COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

Year ended September 30, 2014

REVENUES		
Fee income		\$ 66,730
Interest income		9
	TOTAL REVENUES	<u>66,739</u>
EXPENDITURES		
Application fees		12,439
Other		1,217
	TOTAL EXPENDITURES	<u>13,656</u>
	EXCESS OF REVENUES OVER EXPENDITURES	<u>53,083</u>
	NET CHANGE IN FUND BALANCE	53,083
Fund balance, October 1, 2013		<u>36,803</u>
Fund balance, September 30, 2014		<u><u>\$ 89,886</u></u>

See accompanying notes to financial statements

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GENERAL FUND
TO THE STATEMENT OF ACTIVITIES

MARTIN COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

Year ended September 30, 2014

Net Change in Fund Balance - General Fund	\$ 53,083
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Amounts reported for governmental activities in the statement of activities are different because:

Revenue in governmental activities is not recorded until it is earned; however, revenue in governmental funds is recorded when it is measurable and available.	(61,730)
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Change in Net Position of Governmental Activities	<u>\$ (8,647)</u>
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See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

MARTIN COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

September 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the presentation of the financial report of the Martin County Industrial Development Authority (Authority) conform to U.S. generally accepted accounting principles (GAAP) as applicable to governmental units. This report, the accounting systems and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB).

The following summary of the Authority's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

Reporting Entity:

The Authority was established in 1981 in accordance with Chapter 159.45 of the Florida Statutes. The Martin County Board of County Commissioners, on June 9, 1981, resolved to create and activate the Authority. The Authority is composed of five members appointed by the Board of County Commissioners. Each member serves a term of four years. These financial statements present the financial statements of the Authority and are not meant to represent Martin County, Florida, as a whole.

The Authority, as authorized by Chapter 159.44-159.53 of the Florida Statutes, was created for the purpose of financing and refinancing projects for the public purposes in the manner provided by the Florida Industrial Development Financing Act and by Chapter 159.44-159.53 of the Florida Statutes and for the purpose of fostering the economic development of Martin County. The Authority studies the advantages, facilities, resources, products, attractions and conditions concerning the County with relation to the encouragement of economic development in the County and uses such means and media as the Authority deems advisable to publicize and/or to make known such facts and material to such persons, firms, corporations or agencies having responsibilities in the field of industrial development.

Government-wide and Fund Financial Statements:

The government-wide financial statements (i.e., the statement of the net position and the statement of activities) report information on all activities of the Authority. The Authority reports only governmental activities; it does not have any business-type activities. Governmental activities are supported largely by payments received from application fees derived from the issuance of industrial development revenue bonds.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenue consists of charges for services that are used to meet operational requirements of a particular function. Payments received from interest and other items not included as program revenue are reported as general revenues.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

MARTIN COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

September 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The financial transactions of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures.

The emphasis in fund financial statements is on major funds. GASB Statement No. 34, as amended, sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures) for the determination of major funds. The Authority has used GASB Statement No. 34 minimum criteria for major fund determination and its only fund is its General Fund, which is considered a major fund.

The Authority is a single program government, devoted to economic development. It is comprised of a General Fund only and has no other governmental, proprietary or fiduciary funds. The General Fund is the general operating fund and accounts for all the resources of the Authority.

Measurement Focus, Basis of Accounting and Financial Statement Presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The focus of the governmental funds' measurements (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income, and is presented on the modified accrual basis of accounting. Under the modified accrual basis accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectable within the current period or within 60 days after year end. Expenditures are recognized when the related liability is incurred.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as they are needed. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Authority considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Authority's Board has provided otherwise in its commitment or assignment actions.

Budgets and Budgetary Data:

Under current governmental standards, budgetary to actual comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The Authority is not legally required to adopt a budget for its General Fund. Therefore, budget to actual comparison information is not included in the Authority's financial statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

MARTIN COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

September 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents:

For financial reporting purposes, the Authority considers cash and cash equivalents to be cash on hand, cash in banks, and short-term investments with maturities less than three months when acquired, including restricted assets.

Accounts Receivable:

Accounts receivable comprise of bond application fees and are recorded at the invoiced amount, less any amounts deemed to be uncollectible. The Authority utilizes the specific write off method of estimating the allowance for doubtful accounts, since receivables have historically been fully collectable. There is no allowance for doubtful accounts as of September 30, 2014.

Capital Assets:

Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. The Authority had no capital asset activity for the fiscal year ended September 30, 2014.

Government-wide Net Position:

Government-wide net position is divided into three components:

- Net investment in capital assets – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted – consist of net position that is restricted by the Authority's creditors, by the state enabling legislation, by grantors and by other contributors.
- Unrestricted – all other net position is reported in this category.

At September 30, 2014, the Authority only had net position classified as unrestricted.

Government Fund Balances:

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable – amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed – amounts constrained to specific purposes by the Authority itself, using its highest level of decision-making authority (i.e. Board members) and its highest level of action (i.e. Resolution). To be reported as committed, amounts cannot be used for any other purpose unless the Authority takes the same highest level of action to remove or change the constraint.
- Assigned – amounts the Authority intends to use for a specific purpose. Intent can be expressed by the Board members.
- Unassigned – amounts that are available for any purpose.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

MARTIN COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

September 30, 2014

NOTE B - CASH

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of September 30, 2014, the Authority's bank balance was \$28,156 in one financial institution under one account. The Authority has not adopted a deposit policy for custodial credit risk; however, the Authority is required by Florida Statutes to utilize qualified public depositories in Florida pursuant to Chapter 280.07, Florida Statutes, and therefore all deposits were entirely covered by federal depository insurance and guaranteed by qualified public depositories.

NOTE C - RELATED PARTY TRANSACTIONS

The Martin County Board of County Commissioners appoints five members to serve on the Authority's Board of Directors. Directors serve a four-year term and are eligible for reappointment. The executive director of the Business Development Board of Martin County serves as secretary, and the Business Development Board of Martin County operates as staff to the Authority. Programs implemented are consistent with the Authority's legal status and compatible with the economic development goals established by the Martin County Board of County Commissioners and the Business Development Board of Martin County. For fiscal year ended September 30, 2014, payments made to the Business Development Board of Martin County totaled \$5,000, which represents the bond application fee income approved by the Authority.

NOTE D - SUBSEQUENT EVENTS

The Authority has evaluated subsequent events through May 26, 2015, the date that the financial statements were available to be issued. No events have occurred subsequent to the balance sheet date and through May 26, 2015 that would require any additional adjustment to, or disclosure in, the financial statements or notes.



May 26, 2015

To the Chairman and Board Members
Martin County Industrial Development Authority
Stuart, Florida

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*

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, and the General Fund of the Martin County Industrial Development Authority (Authority), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 26, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 a 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 Authority'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*.

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 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.

Very truly yours,

A handwritten signature in black ink that reads "Hill, Barth & King LLC". The signature is written in a cursive, flowing style.

Certified Public Accountants

SCHEDULE OF FINDINGS AND RESPONSES - CURRENT YEAR AND PRIOR YEARS

MARTIN COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

Year ended September 30, 2014

Current Year Findings

No current year findings noted.

Prior Year's Findings

Prior Years Findings		Current Year Status			
		Cleared	Partially Cleared	Not Cleared	Reference
2013-01 The Authority is responsible for submitting an audited financial report to the Auditor General within 45 days after delivery of the audit report to the Authority but no later than 9 months after the Authority's fiscal year-end	Material Weakness	X			N/A



May 26, 2015

MANAGEMENT LETTER

To the Chairman and Board Members
Martin County Industrial Development Authority
Stuart, Florida

We have audited the financial statements of the governmental activities and the General Fund of the Martin County Industrial Development Authority, as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated May 26, 2015.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated May 26, 2015, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the state of Florida. This letter includes the following information, which is not included in the aforementioned auditor's report.

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with our audit, the following corrective actions have been taken:

- The Authority properly submitted the 2014 audited financial report to the Auditor General within 45 days after delivery of the audit report to the Authority and within 9 months after the Authority's fiscal year-end.
- The Authority established online bank account access for the Chairman and Treasurer to further enhance the checks and balances necessary for strong controls over cash.
- The Authority formally adopted a capitalization policy with a threshold of \$500 to ensure that any acquisitions and dispositions of property are consistently treated and recorded year to year.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Authority has complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we made the following recommendations:

- 2014-001 Recommendation: Although the bank reconciliations were verbally approved by the Chairman, we recommend that all significant account reconciliations be reviewed and approved by the Chairman through email on a monthly basis in order to document the review process. Management Response: The auditee concurs with the auditor's recommendation, and effective immediately the Chairman will approve all significant account reconciliations by email on a monthly basis.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, requires that the name or official title and legal authority for the government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in Note A in the Notes to Financial Statements.

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the Authority for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial auditor's report for the fiscal year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Authority's Board, and management, and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to have been of service to you. Should you have any questions about our recommendations, this letter, or other matters, please contact us at your convenience.

Very truly yours,



Certified Public Accountants