

Space Florida Year End Change Memo

Currently, Space Florida's fiscal year begins July 1 and ends June 30. This discretionary election results in Space Florida having to; (1) close out its performance contract reporting with the State; (2) prepare and issue its Annual Financial Report and; (3) have its Independent Auditors complete their work in order to issue their opinion all within less than 90 days of the end of its fiscal year. This timeline is becoming very costly as Space Florida grows in volume of business activities and complexity.

Management is proposing a change in Space Florida's fiscal year cycle to begin October 1 and end September 30. This change allows Space Florida's fiscal year end to be the quarter after the quarter in which its performance cycle has ended (a somewhat standard reporting election). And to efficiently comply with providing the most recent audit report for combining within the State of Florida's Comprehensive Annual Financial Report (CAFR). In other words, this change will allow us to report in an efficient manner.

Space Florida receives approximately 45% of its revenues via a performance contract with the State and another 45% for transportation investments. These performance agreements are on annual basis beginning July 1 and ending June 30. A change in fiscal year end from June 30 to September 30 will align Space Florida's reporting election to industry practice.

Also, Space Florida is an independent special district, a body politic and corporate, and a component unit of the State of Florida. Space Florida is deemed by the state as a Nonmajor Enterprise Fund and is combined and reported in one column in the component unit financial statements and aggregated in the combining statement. Specifically, within the Primary Government, Business-Type Activities in the CAFR. The state's financial statements are reported for the fiscal year ending June 30. The state's component units' financial statements are reported for the most recent fiscal year for which an audit report is available. Some components units have a fiscal year other than June 30. Space Florida's reporting would be in alignment with other components units of the State.

The state's preparers of the CAFR has expressed support for the above proposed change. The change would result in Space Florida reporting a Stub Period of one quarter (i.e., July 1, 2016 to September 30, 2016) for the States' CAFR fiscal year beginning July 1, 2016 and ending September 30, 2017. The reporting date of Space Florida's Statement of Net Position for the Combining Statements of Net Position, Nonmajor Enterprise Funds, in the CAFR will be the new cycle, yet Space Florida's report for the Combining Statement of Revenue, Expenses, and Changes in Fund Net position, Nonmajor Enterprise Funds, will be only one quarter for the fiscal year ending June 30, 2017. This most likely will be deemed an immaterial change and no disclosure will be required. Future Space Florida reports for combining in the State's CAFR will include twelve months of activity.