

SPACE FLORIDA



Dear Board Members,

As your new President and CEO of Space Florida, I am thrilled to start this journey alongside each of you. Your wealth of experience, knowledge, and commitment to innovation will be instrumental in propelling Space Florida into a new era of aerospace commerce.

We have a packed agenda for our first board meeting on Nov. 28 and I look forward to our robust discussions during this meeting. Enclosed with this note are your board meeting items as well as a welcome packet with key information on our organization. The board packet includes:

- Resolution 23-46 Adopting Space Florida's Revised Governance Policies (including the Revised Governance Policy)
- Investment Policy
- Compensation Philosophy
- 2023 Back-to Market Survey Report
- Proposed Committee Appointments for Standing Committees
- Proposed Board Meeting Schedule Dates
- Resolution 23-47 Authorizing the President and Officers to Enter Into and Execute Contracts
- June 30, 2023, Interim Financials
- Fiscal Year 2024 Budget
- Financial Statements September 30, 2022 & Required Communications
- 2024 Florida Department of Transportation Planning & Engineering Services Contract
- 2024 Planning & Engineering Services with AECOM, BRPH, & RS&H Contract
- 2023 Planning & Engineering Services with AECOM, BRPH, RS&H and Carahsoft Technology Corporation Contract
- Department of Commerce State Fiscal Year 2024 Agreements
- 2024 Florida-Israel Innovation Partnership Call for Projects Grant Awards
- Space Florida 2024 Facilities and Subleases
- Space Florida 2024 Capital Repairs and Improvements
- Kwento LLC Contract
- Project Laser Term Sheet
- Project Maple Grant Agreement

As we navigate through an era of rapid advancements and explore opportunities that the global aerospace economy offers, your insights and leadership will be pivotal in shaping our strategic direction and ensuring the long-term viability of our initiatives. I am confident that together we will scale Space Florida and pave the way for a future where Florida is the global and interplanetary hub for aerospace commerce.

Welcome aboard, and I look forward to working closely with you to realize the boundless possibilities that lie ahead for Space Florida and our incredible state.

Sincerely,

Robert A. Long

President and CEO, Space Florida



Space Florida Board of Directors Meeting Agenda

November 28, 2023
12:30 p.m. – 3:00 p.m. (EST)

Call-in Number: 855-758-1310 Guest Code: 627 763 6389# Passcode: 567768	Meeting Location: Space Florida Headquarters Office Space Life Sciences Laboratory 505 Odyssey Way Exploration Park, FL 32953 Conference Room # 301
BUSINESS BEFORE THE BOARD	
Welcome and Introductions	Lt. Gov. Nuñez
Call to Order and Pledge of Allegiance	Lt. Gov. Nuñez
Roll Call	Terrie Ireland
Public Comments	Lt. Gov. Nuñez
1. ADMINISTRATION	
<ul style="list-style-type: none"> Resolution 23-46 Adopting Space Florida’s Revised Governance Policies <ul style="list-style-type: none"> Revised Governance Policy Investment Policy Compensation Philosophy 2023 Back-to-Market Survey Process Report Proposed Committee Appointments for Standing Committees Proposed Board Meeting Schedule Dates Resolution 23-47 Authorizing the President and Officers to Enter Into and Execute Contracts 	Rob Long and Howard Haug
2. ETHICS BRIEFING	Gray-Robinson
3. APPROVAL OF MINUTES	Lt. Gov. Nuñez
<ul style="list-style-type: none"> August 28, 2023 September 19, 2023 September 29, 2023 	
4. BUSINESS BEFORE THE BOARD	
<ul style="list-style-type: none"> Financial Activities <ul style="list-style-type: none"> June 30, 2023 Interim Financials Fiscal Year 2024 Budget Financial Statements September 30, 2022 & Required Communications 	Denise Swanson
<ul style="list-style-type: none"> Projects and Contract Activities <ul style="list-style-type: none"> 2024 Florida Department of Transportation Planning & Engineering Services 2024 Planning & Engineering Services with AECOM, BRPH, & RS&H 2023 Planning & Engineering Services with AECOM, BRPH, RS&H 	Rob Long and Howard Haug

<div>and Carahsoft Technology Corporation</div> <div><div><div>o Department of Commerce State Fiscal Year 2024 Agreements</div><div>o 2024 Florida-Israel Innovation Partnership Call for Projects Grant Awards</div><div>o Space Florida 2024 Facilities and Subleases</div><div>o Space Florida 2024 Capital Repairs and Improvements</div><div>o Kwento LLC</div><div>o Project Laser</div><div>o Project Maple</div></div></div>	
<div>5. EXECUTIVE BRIEFINGS</div> <div><div><div>• Presidential Brief</div><div>• Spaceports Business Unit Report</div><div>• Corporate Development and Capital Programs Business Unit Report</div><div>• Guest Presentations</div><div>• Upcoming Events & Closing Comments</div></div></div>	<div>Rob Long</div> <div>Todd Romberger</div> <div>Ron Lau</div> <div>Rob Long</div>
<div>6. OTHER BUSINESS BEFORE BOARD</div>	<div>Lt. Gov. Nuñez</div>
<div>Closing Remarks / Adjournment</div>	<div>Lt. Gov. Nuñez</div>

Resolution 23-46

Adopting Space Florida's Revised Governance Policies

RESOLUTION NO. 23-46

RESOLUTION

of the

**Space Florida Board of Directors
Adopting a Revised Version of the
Space Florida Governance Policies**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SPACE FLORIDA:

Section 1. Findings. To accurately reflect the governance of Space Florida, the Board of Directors has determined that it is in the best interest of Space Florida to adopt updates and revisions to the Space Florida Governance Policies.

Section 2. Revised Governance Policies. The Governance Policies are hereby updated and replaced with the revised version dated November 28, 2023, a copy of which is attached hereto as **Attachment A**.

Section 3. Superseding Clause. All resolutions or parts thereof in conflict herewith are hereby superseded.

Section 4. Effective Date. This resolution shall take effect immediately upon its adoption.

APPROVED this 28th day of November, 2023.

SPACE FLORIDA

By: Its Board of Directors

By: _____
Honorable Jeanette Nunez,
Lt. Governor of Florida
Chair, Board of Directors

ATTEST:

By: _____

ATTACHMENT A

**Space Florida Governance Policies
November 28, 2023**

Revised Governance Policy



Space Florida

Governance Policies

Approved by the Space Florida Board of Directors

As of November 28, 2023

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INTRODUCTION

Governance is the exercise of authority to direct and control an organization in order to ensure its purpose is achieved. It refers to who is in charge of what; who sets the direction and the parameters within which the direction is to be pursued; who makes decisions; who sets performance indicators, monitors progress and evaluates results; and who is accountable to whom for what. Governance includes the structures, responsibilities and processes that the Board of an organization uses to direct and manage its general operations. These structures, processes and organizational traditions determine how authority is exercised, how decisions are made, how Stakeholders have their say and how decision-makers are held accountable.

Space Florida was created pursuant to Chapter 331, Part II, Florida Statutes (the “Space Florida Act”), as an independent special district and a subdivision of the State of Florida. Space Florida is subject to the applicable provisions of Chapter 189, Florida Statutes, titled “Special Districts: General Provisions” to the extent such provisions do not conflict with the Space Florida Act. The Space Florida Act describes in detail the membership, duties and powers of the Board of Directors of Space Florida, the powers of the Treasurer and other matters relating to the governance of Space Florida.

These governance policies complement the Space Florida Act and formalize the roles and responsibilities of the Board and establish its functions and practices; the roles and responsibilities of the officers; and outline how the Space Florida internal governance processes will function. Space Florida is an independent special district of the state of Florida and as such is distinct from other legal entities such as corporations and partnerships. These governance policies, in combination with the Space Florida Act, provide guidance on internal governance issues typically covered by the formation documents and bylaws of non-governmental legal entities.

The establishment of governance is critical to Space Florida as it provides a framework for success by establishing responsibilities of the Board for the following areas:

- ***Strategy and Planning***
- ***Financial Stewardship***
- ***Human Resources Stewardship***
- ***Performance Monitoring and Accountability***
- ***Risk Management***
- ***Community Representation and Advocacy***
- ***Management of Critical Transitional Phases***
- ***Complaints Review***

In case of conflict regarding the powers and duties of Space Florida, the Florida Constitution shall govern over the controlling statute; the controlling statutes shall govern over the Administrative Rules; the Administrative Rules shall govern over the Governance Policies; and the Governance Policies shall govern over the Organizational Policies & Procedures of Space Florida. The relative roles of each of the foregoing legal authorities are presented in a graphical format at the end of this section. Space Florida has all the powers, rights, privileges and authority as provided under the Space Florida Act and other applicable laws of the State of Florida.

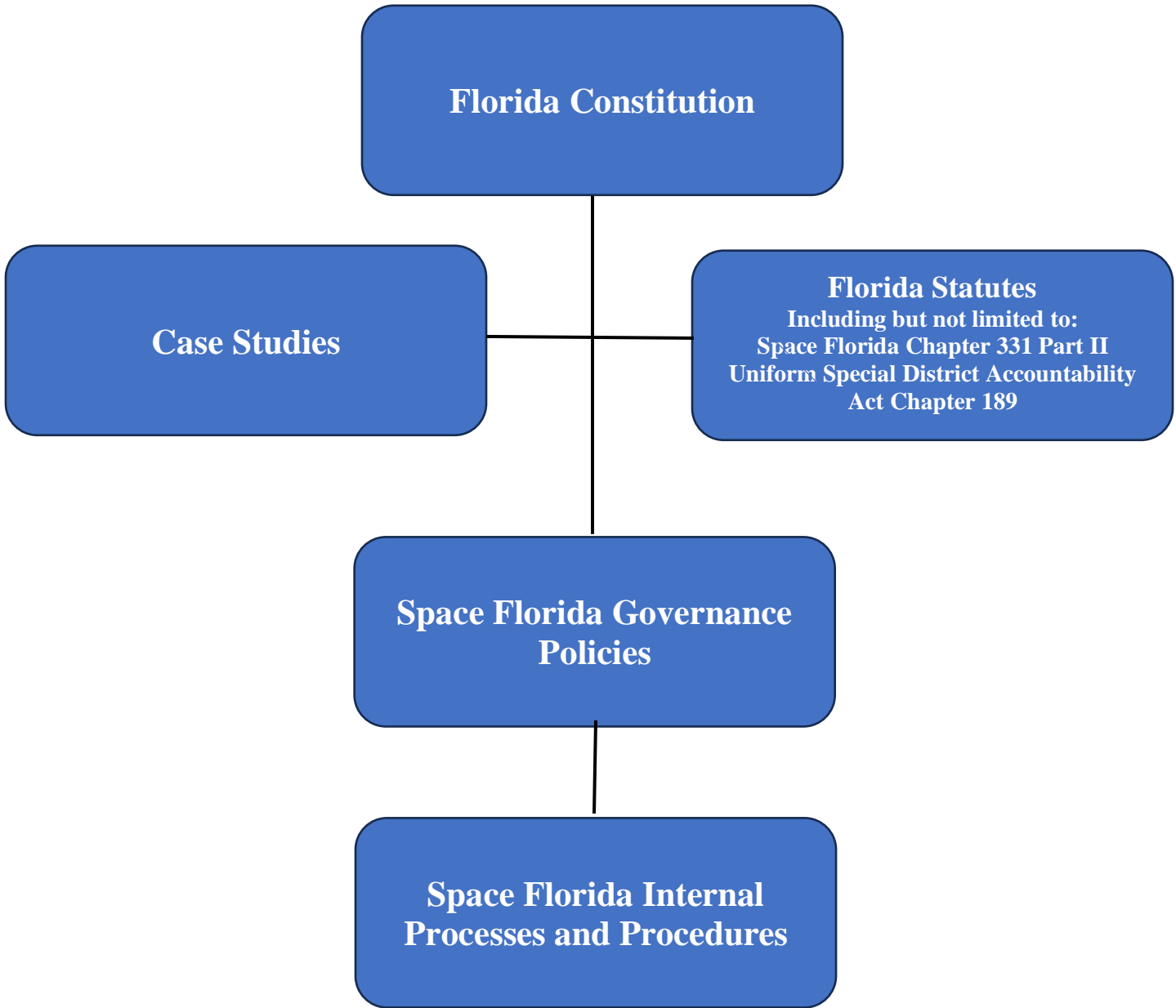
The purpose of Space Florida is to foster the growth and development of a sustainable and world-leading aerospace industry in the State. Space Florida shall promote aerospace development by facilitating business financing, spaceport operations, research and development, workforce development, and innovative education programs.

The Board represents the "ownership" or Stakeholders of Space Florida. It is the legally constituted authority responsible directly to the Stakeholders for prudent oversight of Space Florida's operations. It is responsible for the articulation and safeguarding of Space Florida and defining its activities and expected outcomes. The Board is responsible for long-term planning and direction. It defines the organizational culture, values, operating principles, and parameters within which it expects the President to manage Space Florida.

The President is responsible directly to the Board and for keeping Space Florida's governance policies current. Changes to this Governance Policy shall be presented to the Space Florida Board for approval. This Governance Policy supersedes any previous Bylaws or governance documents for Space Florida.

The Board will focus on strategic leadership rather than administrative detail; important policy rather than operational matters. It will establish and respect distinctions between Board and staff roles and manage any overlap between these respective roles in a spirit of collegiality and partnership that supports the authority of staff and maintains proper lines of accountability.

PRIORITY OF FLORIDA LEGAL AUTHORITY GOVERNING SPACE FLORIDA



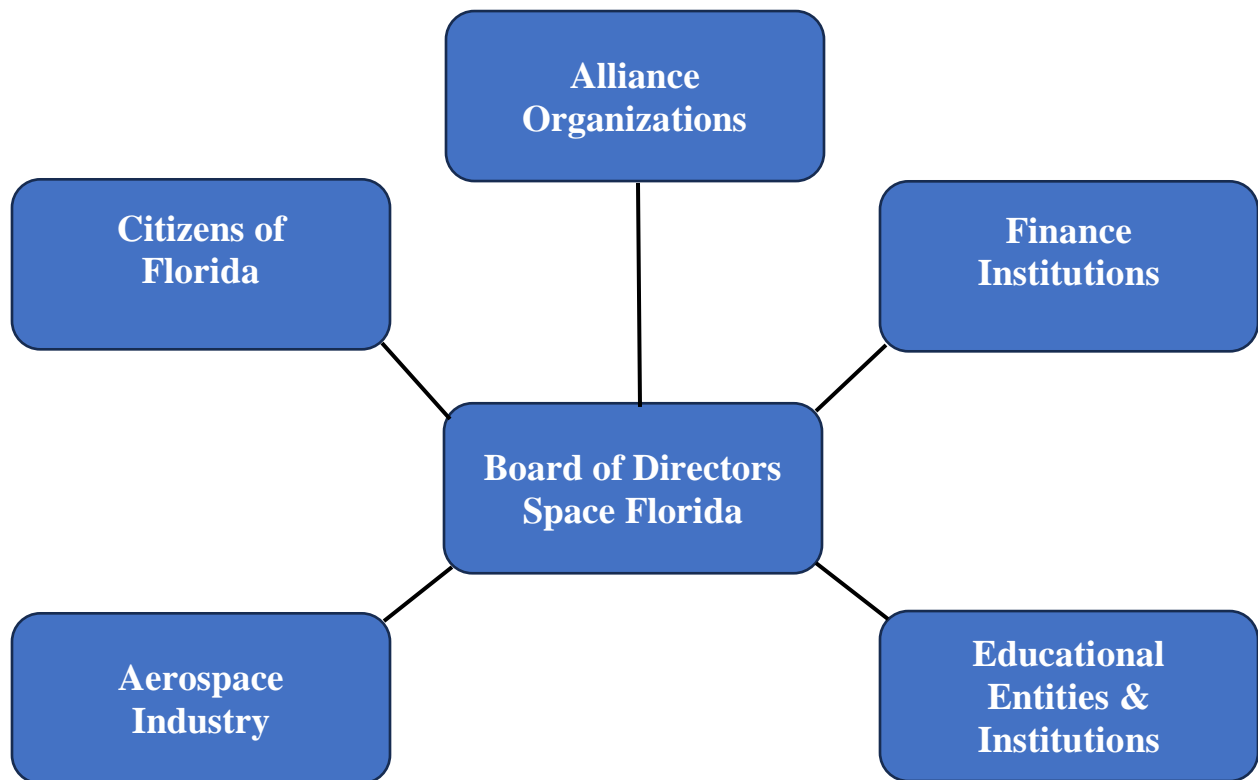
STAKEHOLDERS

1. Stakeholders

Space Florida exists to fulfill its combined Stakeholder vision to foster the growth and development of a sustainable and world-leading aerospace industry to promote the brand and interest of Florida for the State of Florida.

For the purposes of this Policy, Stakeholders shall represent the following:

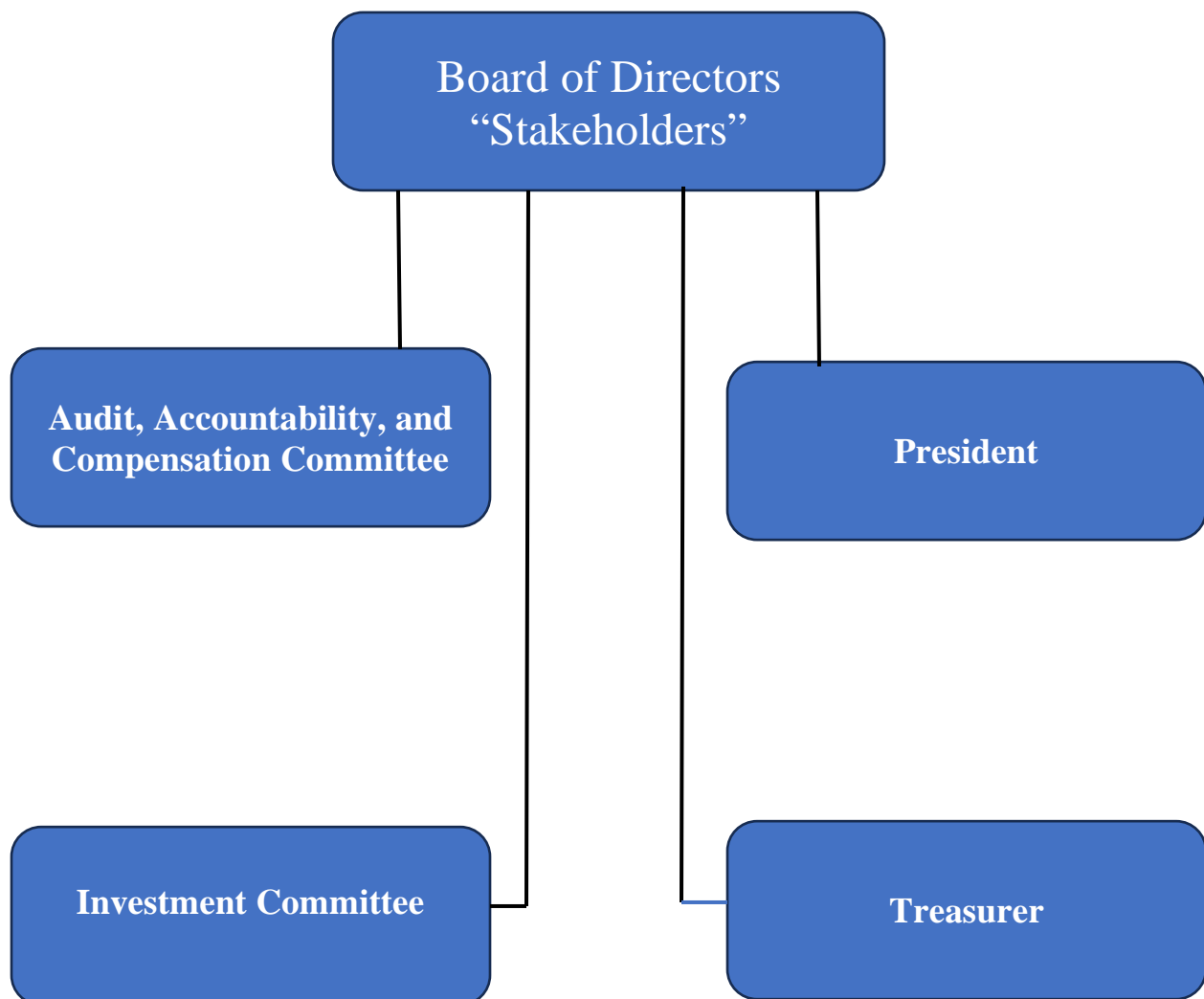
1.1 Stakeholders



2. BOARD OF DIRECTORS

The Board represents the "ownership" or Stakeholders of Space Florida. It is the legally constituted authority responsible directly to the Stakeholders for prudent oversight of Space Florida's operations. It is responsible for safeguarding Space Florida's interests and defining its activities and expected outcomes. The Board is responsible for long-term planning and direction. It defines the organizational cultures, values, operating principles, and parameters within which it expects the President to manage Space Florida.

2.1 Space Florida Board and Committee Structure



2.2 Administrative Rules

Space Florida is statutorily required to file Administrative Rules in accordance with Chapter 120, Florida Statutes (the “Rules”). The Rules shall consist of a statement of general applicability that implements, interprets, or prescribes law or policy or describes the procedure or practice requirements of Space Florida and includes any form which imposes any requirements or solicits any information not specifically required by statute or by an existing rule.

2.3 General Responsibilities of the Board

The Board's duty is to represent the Stakeholders of Space Florida and the prudent oversight of its affairs within the framework of relevant legislation and standards. The Board is given the authority and responsibility for the achievement of the organization's mission, for its stability and for provision of systematic linkage with other organizations engaged in the pursuit of similar objectives, and the Stakeholder community at large. It is responsible for ensuring that it has adequate information to monitor major areas of performance.

The Board oversees the management of Space Florida’s finances. The Board ensures the proper and adequate discharge of this duty through its Treasurer acting on behalf of and reporting to the Board. Additional duties of the Board shall include the duty to:

- (a) Appoint a Vice Chair to the Board of Directors.
- (b) Direct, control, and inspire Space Florida through careful deliberation and establishment of strategic direction and general policies. Monitor and regularly discuss the Board's own processes, progress and performance.
- (c) Provide its Board members with the knowledge necessary to fulfill their responsibilities for the prudent oversight of Space Florida.
- (d) Be accountable to the Stakeholders and citizens of Florida for competent, conscientious, and effective accomplishment of its obligations as an Independent Special District of the State of Florida.
- (e) Ensure that all business of Space Florida is conducted in a transparent, legal and ethical manner.

2.4 Authority and Accountability

The Board, as a whole, is responsible to those who provide funds for the operation of Space Florida. The Board is also accountable, in a more general sense, to exercise good stewardship of Space Florida on behalf of the trust placed in it by the Stakeholders and citizens of Florida.

Ex officio nonvoting members and individual voting members are appointed under the authority of Florida Statutes. However, they have no authority to act or give direction individually other than in such manner as is approved in these policies or by Resolution or Motion of the Board. The Board may delegate authority to an ex officio nonvoting member or voting individual Director or Officer or employee or member of a Committee; however the Board retains ultimate responsibility and accountability.

The Board will account to Space Florida’s Stakeholders through annual and periodic reports on the activities and finances of Space Florida, annual audited financial statements, providing access to minutes of Board meetings, receiving representations from and consulting with key

Stakeholders and generally operating in an open and transparent manner.

All Directors shall perform his/her duties as a Director, including his/her duties as a member of any Committee of the Board upon which he/she may serve, in good faith, in a manner he/she reasonably believes to be in the best interest of Space Florida, and with such care as an ordinary prudent person in a like position would use under similar circumstances.

In performing his/her duties, a voting Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case presented by:

- (a) one or more Officers or employees of Space Florida whom the voting Director reasonably believes to be reliable and competent in the matters presented; or
- (b) counsel, certified public accountants or other persons as to matters which the Director reasonably believes to be within such person's professional or expert competence; or
- (c) an ex officio nonvoting Director who provides insight, guidance and advise to the Board based on their background and skills in their industry; or
- (d) a Standing Committee of the Board as to matters within its designated authority, which Committee the voting Director reasonably believes to merit confidence.

The Board shall direct Space Florida to take all actions required by the Space Florida Act.

2.5 Priority Areas for the Board

- Adopt rules and orders to conduct the business of Space Florida;
- Oversee development and approval of a long-term business plan(s) and approve operating plans and annual budgets;
- Define and/or safeguard the organizational mission, the values framework and operating principles within which it expects Space Florida to be administered, and to review these periodically;
- Regulate Space Florida through broad policies and planning objectives approved by the Board, formulated with the President and staff, and reviewed periodically;
- Select and support a President to whom the responsibility for administration of Space Florida is delegated;
- Select and support a Treasurer who shall be in charge of the funds of Space Florida;
- Review and evaluate regularly the performance of the Board including Director attendance, adherence to quarterly meeting requirements, assurance to education of new Directors, annual reporting of operations requirements, and adherence to travel and entertainment expenses for Board members;
- Seek and secure sufficient resources for Space Florida to finance its programs adequately;
- Account to the public for the services of Space Florida and expenditures of funds;
- Ensure prudent and proper management of Space Florida's resources;
- Establish the general values framework in which Space Florida's Human Resources will be managed and periodically monitor key human resource performance indicators;

- Approve and periodically review personnel policies within which Human Resources will be managed;
- Establish guidelines within which management may negotiate all compensation agreements with staff;
- Regularly review Space Florida's services to ensure that they are consistent with the purpose of Space Florida and that its programs are effective and relevant to community needs;
- Provide continuity for Space Florida and opportunities for citizen participation;
- Represent Space Florida and its programs through interaction with the community;
- Serve as an advocate for services of good quality.

2.6 Due Diligence - Responsibilities of Individual Board Members

Each Board member is expected to become an active participant in a body that functions effectively as a whole. In addition to assisting in the exercise of the major duties of the Board outlined above, members are responsible to exercise due diligence in the performance of their duties. They are responsible to:

- Be informed of the legislation under which Space Florida exists, its mission, values, code of conduct, and policies as they pertain to the duties of a Board member;
- Keep generally informed about the activities of Space Florida and the community, and general trends in the business in which it operates;
- Attend Board meetings regularly in person, serve on Committees of the Board and contribute from personal, professional and life experience to the work of the Board;
- Exercise the same degree of care, diligence and skill that a reasonably prudent person would show in comparable circumstances;
- Voice clearly and explicitly, at the time a decision is being taken, any opposition to a decision being considered by the Board;
- Maintain solidarity with fellow Directors in support of a decision that has been made in good faith in a legally constituted meeting, by Directors in reasonably full possession of the facts;
- Work with the staff of Space Florida on Committees or task forces of the Board;
- Know and respect the distinction in the roles of voting Directors, nonvoting ex officio Directors, and staff consistent with Florida Statutes and the principles underlying these policies;
- Exercise vigilance for and declare any apparent or real personal conflict of interest in accordance with Space Florida's Statute, Rules and Policies.
- Ex officio nonvoting Directors shall provide regular reports to the Board on the activities of their entities in connection with their industry, provide guidance and advise to the board based on their background and skills in their industry, provide the Board with a different perspective on critical matters and provide information to the Board which can assist the Board with the early detection of risks with respect to a proposed project or matter concerning their area of expertise and which will help guide the decision making of the Board as well as represent and act in the best interest of Space Florida.

2.7 Confidentiality

Space Florida's intellectual property is a very valuable asset. It encompasses all proprietary information that is not generally available to or known by the public, and it includes information in any format: written, electronic, visual or verbal. It also may include information that Space Florida develops, purchases, or licenses, and information Space Florida receives from others (including suppliers, vendors and clients).

The Directors, Officers and staff must maintain the confidentiality of all information entrusted to Space Florida, except when disclosure is authorized or legally required, such as those items subject to Florida's Sunshine Law and Public Records Act. While Space Florida's Directors, Officers and staff may use proprietary information to the extent needed to perform their duties properly, each person needs to remember that Space Florida is responsible for safeguarding that information (and information provided to Space Florida by another person or company) from theft or misuse. Accordingly, Space Florida and its Directors, Officers and staff cannot, directly or indirectly:

- Disclose any information to others, including other team members, unless they have a legitimate need-to-know basis to perform their duties and, if they are not Space Florida employees, have agreed in writing to maintain its confidentiality;
- Use company information for any purpose other than its intended use;
- Copy any documents containing company information, or remove any documents or other records or copies from work areas, except as required to perform designated responsibilities; and
- Dispose of company information inappropriately.

All Space Florida documents, e-mail and other materials containing or relating to Space Florida (and all materials prepared from those documents) are Space Florida's property. If Space Florida requests, or when a Director's, Officer's or staff member's relationship with Space Florida ends, these documents must be returned to Space Florida.

Directors, Officers and staff may disclose company information to others and/or receive information from others for legitimate business reasons. Before disclosing or receiving such information, Space Florida must enter into an agreement that describes how the parties can use and must protect the information.

It is also important to contact Space Florida's legal counsel before presenting or publishing any research results so Space Florida can confirm that all appropriate confidentiality agreements have been signed and any patent filings necessary to protect Space Florida's interests in the information have been made. Directors, Officers and staff must contact Space Florida's legal counsel as well if they learn of an outside person who plans to present or publish research that may contain confidential company information or affect Space Florida's intellectual property rights. These obligations continue even after a Director's, Officer's or staff member's relationship with Space Florida ends.

Any information held by Space Florida which is a trade secret, as defined in Section 688.002, Florida Statutes, proprietary confidential business information, as defined in Section 288.075, Florida Statutes, including trade secrets of Space Florida, any spaceport user, or the space industry business (“Confidential Information”), is confidential and exempt from the provisions of Section 119.07(1), Florida Statutes, and Section 24(a), Article I of the State Constitution, and shall not be disclosed. If Space Florida determines that any information requested by the public will reveal Confidential Information, it shall, in writing, inform the person making the request of that determination. The determination is a final order as defined in Section 120.52, Florida Statutes. Any meeting or portion of a meeting of Space Florida’s Board is exempt from the provisions of Section 286.011, Florida Statutes, and Section 24(b), Article I of the State Constitution when the Board is discussing trade secrets. Any public record generated during the closed portions of the meetings, such as minutes, tape recording, and notes, is confidential and exempt from the provisions of Section 119.07(1), Florida Statutes and Section 24(a), Article I of the State Constitution. Subject to the exceptions and exemptions set forth in Section 288.075, Florida Statutes, Space Florida shall make and retain records and comply with the applicable sections of Chapter 119, Florida Statutes.

2.8 Code of Ethics

As an Independent Special District of the State of Florida, Space Florida has a responsibility to embrace the highest ethical standards. All Directors, Officers and employees of Space Florida shall comply with all applicable provisions of Florida’s Code of Ethics, Chapter 112, Part III, Florida Statutes, including financial disclosure requirements. Space Florida understands that certain acts or omissions that might be appropriate in a completely private sector environment would be inappropriate for Space Florida and its Directors. Space Florida will promote an honest, ethical, and open structure within its organization. As a policy, Space Florida asserts that ethics involve more than simply imposing limits on gifts and expenditures, although these impositions are an important aspect of any Code of Ethics.

Space Florida Directors will not use the powers and resources of Space Florida for any financial or personal benefit. Directors are expected to safeguard their ability to make objective, fair and impartial decisions, and therefore may not accept benefits of any sort under circumstances in which it could be inferred by a reasonable observer that the benefit was intended to influence a pending or future decision, or to reward a past decision. Directors should avoid any conduct (whether in the context of business, financial or social relationships) which might undermine the trust placed in them, whether that conduct is unethical or lends itself to the appearance of ethical impropriety. Space Florida values its good reputation and asserts that the appearance of impropriety harms an organization as much as any unethical or improper act.

2.9 Conflict of Interest

Board members are considered to be in a “Conflict of Interest” whenever they themselves, or members of their family, place of employment, business partners or close personal associates, may personally benefit either directly or indirectly, financially or otherwise, from their position on the Board. A Conflict of Interest may be “real,” “potential,” or “perceived”; the same duty to disclose applies to each. Full disclosure, in itself, does not remove a conflict of interest.

For purposes of the voting conflicts requirements of Section 112.3143, Florida Statutes Space Florida Directors are “state” public officers.

No Board member is prohibited from voting in an official capacity on any matter. Board members are subject to Subsection 112.313(7) of Florida Statutes, which prohibits Board members from either being employed by or having a contract relationship with a business entity that is doing business with Space Florida. Board members are also governed by Subsection 112.313(3) of Florida Statutes, which prohibits Board members from renting, leasing, or selling real estate, goods, or services to Space Florida.

A Board member who elects not to vote on a measure because of the perception (but not the reality) of a conflict of interest, must file a memorandum of voting conflict on the Florida Commission on Ethics Form 8A with the recording secretary within 15 days after the vote occurs, disclosing the nature of his or her interest in the matter.

Members of the Board shall act at all times in the best interests of Space Florida rather than particular interests or constituencies. This means setting aside personal self-interest and performing their duties in transaction of the affairs of Space Florida in such a manner that promotes public confidence and trust in the integrity, objectivity and impartiality of the Board. Members of the Board shall serve without remuneration. No Director shall directly or indirectly receive any profit from his/her position as such, provided that Directors may be paid authorized expenses incurred by them in the performance of their duties. The pecuniary interests of immediate family members or close personal or business associates of a Director are considered to also be the pecuniary interests of the Director.

Principles for Dealing with Conflict of Interest:

- (a) The Board member must openly disclose a potential, real or perceived conflict of interest as soon as the issue arises and before the Board or its Committees deal with the matter at issue.
- (b) If the Board member is not certain he/she is in a conflict of interest position, the matter may be brought before the Chair, Board or President for advice and guidance.
- (c) If there is any question or doubt about the existence of a real or perceived conflict, the Board will determine by vote if a conflict exists. The person potentially in conflict shall be absent from the discussion and vote.
- (d) It is the responsibility of other Board members who are aware of a real, potential or perceived conflict of interest on the part of a fellow Board member to raise the issue for clarification, first with the Board member and, if still unresolved, with the Board Chair.
- (e) No Board member shall participate in any matter which would inure to the Director’s special private gain or loss, the special private gain or loss of any principal by whom he or she is retained, of the parent organization or subsidiary of a corporate principal by which he or she is retained, of a relative or of a business associate, without first disclosing the nature of his or her interest in the matter. The memorandum of voting conflict on the Florida Commission on Ethics Form 8A must be filed with the meeting’s recording officer, be provided to the other Directors, and be read publicly at the next meeting.

- (f) If the conflict is unknown or not disclosed prior to the meeting, the Board member must orally disclose the conflict at the meeting when the conflict becomes known. Also, a written memorandum of voting conflict must be filed with the meeting's recording officer within 15 days of the disclosure being made and must be provided to the other Board members with the disclosure being read publicly at the next scheduled meeting. The time the person left and returned to the meeting shall also be recorded.

Examples of Conflict of Interest on the part of a Board Member

- (a) Any circumstance that may result in a personal or financial benefit to a Director or his/her family, place of employment, business associate or friend. This includes, but is not limited to, accepting any payment for services rendered to Space Florida, including contracted work or honoraria; accessing financial or other resources for personal use, i.e. transportation, training costs, supplies, equipment, etc.;
- (b) Personal interests which conflict with the interests of clients or are otherwise adverse to the interests of Space Florida;
- (c) Seeking, accepting or receiving any personal benefit from a supplier, vendor, or any individual or organization doing or seeking business with Space Florida;
- (d) Being a member of a board or staff of another organization, which might have material interests that conflict with the interests of Space Florida or its clients; and, dealing with matters on one board which might materially affect the other board;
- (e) Any involvement in the hiring, supervision, grievance, evaluation, promotion, remuneration or firing of a family member, business associate or friend of the Director;
- (f) Individuals who serve as a Director on the same board with members of their family or others with whom they have a direct business or personal relationship will be subject to an immediate perception of apparent conflict of interest.

2.10 Disposition of Complaints and Disputes Involving Directors

- (a) The Board shall review any complaints that a Director has violated any provision of Space Florida's Governance Policies, Code of Conduct, Oath of Office or Confidentiality Agreement.
- (b) The Board shall similarly review disputes between members of the Board that interfere with the ability of the Board to carry on its business.
- (c) Complaints of a grave nature may be referred to an independent arbiter.
- (d) Allegations of illegal activity shall be immediately referred to the appropriate authorities for investigation. Any Director against whom such allegations are made shall take a leave of absence from the Board pending completion of the investigation.
- (e) The review of such complaints or disputes shall include an opportunity for the members concerned to present their positions. Directors who originate or are the subject of such complaints or disputes must declare their conflict and abstain themselves from such meetings.
- (f) Every attempt should be made to resolve such matters expeditiously and fairly.
- (g) The recommendations regarding resolution of such matters shall be brought to the Board for approval.
- (h) The ruling of the Board shall be final. Should the member refuse to abide by the ruling, the Board, may table the matter pending determination of disciplinary action. Such

action may include formal or informal censure by the Chair or the Board, suspension or a request for the member's resignation.

3. ROLES OF THE OFFICERS OF THE BOARD

Individual officers may not act in place of the Board.

3.1 Chair

The role of the Chair is to ensure the integrity of the Board's processes. The Chair is the only Board member authorized to speak for Space Florida, unless this is specifically delegated by the Chair to another Board member or Appointed Officer.

- (a) The Chair presides as the 'Manager' of the Board's activities, ensuring that the Board follows its own rules and those legitimately imposed upon it by statute or regulation. Since most of the work of the Board will be done during regularly scheduled Board meetings, the Chair is responsible for ensuring that the work is conducted efficiently and effectively. The Chair has no authority to make decisions outside the parameters of policies created by Resolution or Motion of the Board.
- (b) The Chair will set the agendas for meetings of the Board with input from the members of the Board and with the assistance of the President.
- (c) The Chair will plan the conduct and timing of Board meetings in conjunction with the President.
- (d) The Chair will ensure that the Board is properly informed about the operations of Space Florida and has the information and opportunity necessary to come to decisions on matters within its purview.
- (e) The Chair will be the Board's primary liaison with the President, who is responsible for the execution of Board policy and directives, and for determining the means, organizational structure and management processes necessary to achieve Space Florida's objectives.
- (f) The Chair will act as public and media spokesperson for the Board and Space Florida as required.

3.2 Vice Chair

A Vice Chair may be elected by a majority vote of the Board. In addition to assuming the duties of the Chair during his/her absence or at their direction, the Vice Chair shall perform other duties prescribed from time to time by the Board, coincident to the office.

4. ROLE OF COMMITTEES

Committees have an advisory function to the Board. They do not speak or act for the Board unless such authority is formally delegated by Committee Charter. The Board appoints Committee Members for a term to be determined by the Board.

4.1 Composition

A voting member of the Board shall chair all Committees. Standing Committees, or its designee, are responsible for reporting directly to the Board of Directors. Advisory Committees are responsible for reporting to the Board of Directors through the President of Space Florida for their respective roles. The composition of the Committees shall be representative of the Board and,

where possible and appropriate, Stakeholders of the community at large. This is an effective way to add expertise, involve more of the community in the work of Space Florida and bring Space Florida a reflection of public opinion. All Committees will have assigned staff support (see Section 4.3 below). The Board may, by Resolution or Motion, establish such other Standing or Advisory Committees as it deems necessary or appropriate.

4.2 Function

A Committee's function is to bring the experience, expertise and judgment of a group of interested and informed persons to bear on a specific area of Space Florida's responsibility. Its duty is to assist the Board by considering matters referred to it in greater depth than would be possible by the whole Board. Committees isolate key issues requiring Board consideration, propose alternative actions, present the implications and make recommendations to the Board for decision.

The Board will not review the matter in the same detail as the Committee but must be satisfied that all pertinent information was considered or refer the issue back to the Committee for further study. The Board will consider the recommendations of the Committee and adopt or amend these recommendations or make such other disposition as it deems advisable.

4.3 Relationship to Staff

Board and staff work cooperatively to carry out the objectives of Space Florida. The Board relies upon the ability, training, expertise and experience of staff to plan for and provide services within Space Florida's mandate. Committee and Board meetings are the generally recognized avenues for Board and staff to think and plan together.

The attendance of the President, or designated representative, at all Committee meetings as a resource and staff support is essential to the effective work of the Committees. The staff shall timely provide the Committees with the information and documentation that the Committees require to perform the tasks assigned to the Committees by the Board. Committees may advise the Board or the President but do not exercise authority over staff, and will ordinarily have no direct dealing with staff operations. Committee members must know and respect the distinction between Board and staff responsibilities.

Communications between Board and staff, outside of Committee meetings, shall be through the President or their designee. This includes:

- Any assignments or directives;
- Requests for organizational resources or staff time;
- Staff performance concerns or policy infractions;
- Concerns regarding any aspect of programs or administration.

4.4 Standing Committees

Standing Committees of the Board shall be the Audit, Accountability, and Compensation Committee and the Investment Committee and shall report directly to the Board of Directors. Members of the Standing Committees shall be voting or nonvoting Directors and shall be appointed by the Chair of the Board or the Vice Chair of the Board at the direction of the Chair.

4.4.1 Audit, Accountability, and Compensation Committee

The Audit, Accountability, and Compensation Committee shall consist of three or more Directors, each of whom is to be free of any relationship that, in the opinion of the Board, would interfere with his or her exercise of independent judgment. The Audit, Accountability, and Compensation Committee shall include at least three people who have the following attributes: (i) an understanding of generally accepted accounting principles and financial statements; (ii) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves; (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by Space Florida's financial statements, or experience actively supervising one or more persons engaged in such activities; (iv) an understanding of internal control over financial reporting; and (v) an understanding of audit committee functions. The members of the Audit, Accountability, and Compensation Committee shall be appointed by the Board Chair and will serve for a term to be determined by the Board. The Board Chair will also recommend a voting Director as chairperson of this Committee for Board approval.

The Audit, Accountability, and Compensation Committee shall assist the Board in fulfilling its oversight responsibilities relating to the development and implementation of financial reporting practices; the system of internal accounting and financial controls; compliance with Space Florida's ethics policies and legal and regulatory requirements; compensation policies; human resource strategies; and management and succession planning in addition to performing annual review of the Appointed Officers' performance and compensation. Additional roles are detailed within the Audit, Accountability, and Compensation Committee Charter. This Committee possesses specific powers under the Audit, Accountability, and Compensation Committee Charter, attached hereto as Attachment 1.

4.4.2 Investment Committee

The Investment Committee shall consist of three or more Directors, each of whom is to be free of any relationship that, in the opinion of the Board, would interfere with his or her exercise of independent judgment. The Investment Committee shall include at least three people who have the following attributes: (i) knowledge of Space Florida's purpose, powers, and tool box for investment, (ii) knowledge of current financial market/investment trends and best practices, (iii) critical thinking, (iv) analytical and technical skills, and (v) receptive on implementing new and creative investment philosophies. Additionally, at least one member shall have bond financing experience. The members of the Investment Committee shall be appointed by the Board Chair and will serve for a term to be determined by the Board. The Board Chair will also recommend a voting Director as the chairperson of this Committee for Board approval.

The Investment Committee shall assist the Board in fulfilling its oversight responsibilities concerning the management of Space Florida's investments and that they are fulfilled through appropriate investment structure and management consistent with its policies and procedures. Additional roles are detailed within the Investment Committee Charter. This Committee possesses specific powers under the Investment Committee Charter, attached hereto as Attachment 2.

4.5 Advisory Committees

The Board may from time to time designate one or more Advisory Committees, comprised of Directors and other persons who need not be Directors, to counsel with the Board of Directors through the President with respect to the affairs of Space Florida. Members of the Advisory Committees, which need not be Directors, shall be appointed by the Chair of the Board or the Vice Chair of the Board at the direction of the Chair. The Advisory Committees may make recommendations on matters pertaining to the objectives and purposes for which the committee was formed and shall conduct its operations in the same manner as that provided for other Committees of the Board, but shall not have or exercise any of the authority or power of the Board of Directors or the President. Any recommendations made by such Advisory Committee shall not be binding upon Space Florida.

4.6 Attendance at Committee Meetings

Any member of the Board of Directors or of any Board Committee shall be deemed present at a meeting of such Board of Directors or Committee if a conference telephone or similar communication equipment is used, by means of which all persons participating in the meeting can hear each other.

5. BOARD RESPONSIBILITIES

Primary Board responsibilities generally fall within eight general areas: Planning; Financial Stewardship; Human Resources Stewardship; Performance Monitoring and Accountability; Risk Management; Community Representation and Advocacy; Management of Critical Transitional Phases; and Complaints Review.

5.1 Strategy and Planning

One of the most important responsibilities of a Board is to provide general guidance and direction for an organization. A comprehensive framework for strategy, planning, setting priorities, organizational strategy, management and budgeting is essential to effective and responsible organizational stewardship. Good strategy and planning results in better communication and a better understanding of how various parts of an organization work together to produce desired results.

1. Business Plan(s). The Board, with the assistance of staff and in consultation with Stakeholders, establishes Space Florida's overall direction through the development and approval of a Business Plan(s). This plan provides a tentative blueprint for Space Florida's direction and activities for the next three (3) to five (5) years based on a scan of internal and external factors that may bear on the resources and direction of the organization. The Business Plan(s) shall be updated as determined by the President or as directed by the Space Florida Board of Directors. It identifies the "key areas" in which the Board wants to focus the activities of the organization and general goals for each of these areas. In addition, the Board annually identifies and reviews issues which, in the Board's judgment, place the accomplishment of Space Florida's goals at risk and assesses options for mitigation of such risks.

5.2 Financial Stewardship

The Board is responsible to review and approve the Operating Budget; secure adequate financial resources; ensure development of financial management and inventory control systems adequate

to properly record financial transactions and control of assets; monitor efficient use of resources; and ensure the establishment of proper financial controls and policies.

The Board of Directors shall adopt an operating budget for each fiscal year that specifies the intended use for funds to be expended. The President shall be responsible for presenting a proposed budget to the Board. Allocation and expenditures of the funds of Space Florida shall be governed by the budget previously approved for the current fiscal year. The budget may be amended by the Board of Directors as required to maintain the financial integrity of Space Florida.

5.3 Human Resources Stewardship

The Board is responsible for ensuring that management establishes personnel policies to govern the management of staff; recruiting, supporting and evaluating the performance of the Appointed Officers; providing guidelines for staff compensation; succession planning to ensure smooth transition in both Board and senior staff positions; and monitoring compliance with legislative and regulatory requirements.

5.4 Performance Monitoring and Accountability

The Board is responsible for ensuring that adequate systems are in place for monitoring organizational performance, monitoring the general performance of the organization against legislative and regulatory requirements, and approved objectives of the organization.

5.5 Risk Management

The Board is responsible for enterprise risk assessment and to ensure that Rules and Policies are current; that adequate insurance provisions are in place to protect the organization and Board from potential liabilities; resources are sufficient to minimize risk to employees; safety procedures are established; compliance with statutory and regulatory requirements; that policies are respected in actual practice; and adequate contingency plans are in place to protect against reasonably anticipated crises.

5.6 Community Representation and Advocacy

The function of public relations is to assist Space Florida in achieving its goals and objectives through the development and execution of programs designed to earn public understanding and support. The Board is responsible to represent the organization positively to the community; to fairly represent community perspectives to the organization; to ensure community input to its planning; and, to advocate for adequate resources to fulfill the organizational mandate.

Authority to speak on behalf of Space Florida shall rest with the Chair and/or President. This authority may be delegated by either of the aforementioned to others in Space Florida within their special fields of competence or knowledge.

In general, the Chair will represent Space Florida on matters of Board policy and the President will represent Space Florida on operational issues. Either may represent Space Florida on issues related to advocacy on behalf of the mandate of Space Florida. Any major statements of an advocacy nature must be consistent with the general parameters of Board approved policies or positions. This is not intended to inhibit expression of personal or professional opinions. However, care should be taken by individual Directors to distinguish these from positions of Space Florida.

5.7 Management of Critical Transitional Phases

The Board is responsible for management of critical transitional phases and events. These include turnover in key positions in the Board and senior management; rapid growth or decline in resources; and issues of significant public controversy.

5.8 Complaints Review

Board members do not generally have direct contact with clients. Where a client makes direct contact with a Board member for assistance in the resolution of specific service issues, the Board member should refer the client to the President. A Board member may not interfere in the handling of a specific case by approaching individual staff members. Concerns about the management of a case should be conveyed to the President. The President may inform the concerned Board member about the action taken in the case or authorize a manager to communicate the information directly to the Board member.

Client names (with an active Non-Disclosure Agreement) and identifying personal information will be withheld when case information is presented to the Board or a Committee for orientation or illustrative purposes. The Board responsibility for hearing client complaints on appeal from a decision of the President is an exception to these general principles.

Service providers and supervisory staff shall initially respond to client complaints about the nature or quality of services provided by Space Florida. The client shall be provided with an opportunity to appeal their decisions to the President. The client shall also be provided with an opportunity to appeal a decision of the President to the Board. The Board, in reviewing such appeals, shall hear the client and review the matter and may also make recommendations to the President on the matter and may recommend policy amendments to the President. Except in extraordinary circumstances, the Board should not overturn decisions of staff or the President.

6. EXECUTIVE AUTHORITY

The Board shall appoint persons to act as the President and Treasurer which shall be the Appointed Officer positions of Space Florida, having such official title, functions, duties, powers, and salary as the Board may prescribe. Such other officers and agents as may be deemed necessary may be hired through the President from time to time. Recruitment, selection and appointment of the Appointed Officers are, along with performance monitoring, among the most important responsibilities of the Board. Appointment of the Appointed Officers requires the approval by a supermajority (two-thirds) of the incumbent Directors. The Appointed Officers' roles and responsibilities shall be defined within an Employment Contract. Ideally, the Appointed Officers' appointment should be made with the confidence of the full Board. In the event that the Appointed Officers' performance is deficient or there is loss of confidence in the incumbent, the Board, as a whole, is responsible for ensuring, as amicably as possible, a termination of the relationship. Dismissal of the Appointed Officers shall require a majority vote of the full Board voting in favor of dismissal at a meeting duly called to consider such action.

The Board contracts with the President for the management and administration of Space Florida. The President is responsible, within parameters established by the Board, for determining the methods by which the Board's directions and policies will be executed and the desired outcomes

achieved.

The President is employed by the Board and is, therefore, responsible to the Board as a whole rather than to individual members of the Board. The President is required to implement policies as determined by the Board and consistent with the requirements of any legislation or regulations. In the exercise of these responsibilities, the President is:

- (a) Authorized to expend funds within the limits of the annual budget and operating plan approved by the Board in conjunction with the authority delegated;
- (b) Responsible for bringing to the attention of the Board the need for special and exceptional expenditures not included in the budget;
- (c) Required to report to the Board if it is not possible to operate within the limits of the budget approved by it;
- (d) Expected to serve as an advisor to the Board on policy and program issues which affect the services provided by Space Florida;
- (e) Required to provide the Board with the information it requires to govern effectively, make informed decisions and monitor the overall performance of Space Florida in achievement of approved goals;
- (f) Responsible for employing staff members within the classifications and salary ranges approved by the Board. Board members should bear in mind that the staff are responsible to the President or to a person designated by him or her, not the Board as a whole or any individual Director. In the supervision, direction and deployment of personnel, the President is governed by the documented personnel practices and procedures approved by the Board;
- (g) Authorized to designate responsibilities through the Executive Vice President, Chief Financial Officer, and Administration Officer as deemed necessary for the oversight of Space Florida.

6.1 Delegation to the President

The Board's duty is generally confined to establishing broad policies for achievement of Space Florida's objectives. It delegates responsibility for execution of those policies to the President. All Board authority delegated to staff is delegated through the President, so that the authority and accountability of staff derives from the authority and accountability of the President. The Board as a group, rather than individual Directors or Committees, is responsible for providing direction to the President within the context of Governance Policies.

6.2 Duties of the President

The President shall serve as the chief administrative and operational officer for the Board of Directors of Space Florida. The President shall be charged with implementing the policies and instructions of the Board and shall be in charge of the day-to-day operations of Space Florida. The President of Space Florida shall keep a record of the proceedings of the Board and shall be the custodian of all books, documents, and papers filed with the Board, and the minutes of the Board of Space Florida. The President shall have such further powers and duties as may be prescribed by the Board of Directors. From time-to-time when deemed necessary by the President, the President may act and carry out one or more duties through a designee selected by the President. The President of Space Florida is responsible to the Board for the administration and enforcement

of the Space Florida Act, execution of the policies adopted by the Board, administrative directives, and for planning, organizing, coordinating and managing the operation of Space Florida's programs and services compatible with Chapter 331, Part II, Florida Statutes, and within the general parameters of the approved Operating Plans and budget.

The President will, at the beginning of each fiscal year, draft objectives for that year and present them to the Board for approval. The President shall, at the end of the fiscal year: (i) complete a written self-evaluation of progress on meeting objectives so approved by the Board; and (ii) complete a report on overall corporate performance for the preceding year.

The essential elements of this material, along with Board members observations of the President's interactions with Stakeholders and industry throughout the year shall form the basis of the evaluation.

The Chair will obtain input from the Board and prepare a written evaluation of the President's performance. The Chair will provide a summary of the performance review to the Board.

The Chair shall provide the President with more informal feedback on his/her performance on a regular basis as issues may arise and at least once midway between formal appraisals.

6.3 Duties of the Treasurer and Other Officers

The Treasurer of Space Florida shall have charge and custody of and be responsible for all funds and securities of Space Florida. The Treasurer shall be a resident of the State of Florida, or a qualified public depository as defined in Section 280.02, Florida Statutes, as amended. The Board may give the Treasurer such other or additional powers and duties as the Board may deem appropriate and shall establish the Treasurer's compensation. The Board may require the Treasurer to give a bond in such amount, on such terms, and with such sureties as may be deemed satisfactory to the Board to secure the performance by the Treasurer of his/her powers and duties. The Treasurer shall give receipts for monies due and payable to Space Florida and shall deposit all such monies in the proper accounts of Space Florida. The Treasurer shall be responsible for maintaining the accounting records of Space Florida in accordance with generally accepted accounting principles. The Treasurer shall also prepare, or cause to be prepared, the appropriate annual financial statements reflecting the financial activity of the fiscal year and the financial position at the end of the fiscal year. The Treasurer shall have such further powers and duties as may be prescribed by the Board of Directors. From time-to-time when deemed necessary by the Treasurer, the Treasurer may act and carry out one or more duties through a designee selected by the Treasurer.

Any other officers of Space Florida shall have such powers and duties as may be prescribed by the President.

6.4 Removal of Appointed Officers

The Appointed Officers may be removed by the Board, with or without cause, whenever, in the judgment of the Board, the best interest of Space Florida will be served thereby.

Any vacancy, however occurring, in any Appointed Officer position may be filled by the Board of

Directors.

Removal of an Appointed Officer shall be without prejudice to the contract rights, if any, of the person removed; however, appointment of an Appointed Officer shall not of itself create contract rights.

7. BOARD MANAGEMENT

7.1 Meetings

Meetings of the Board will be held a minimum of four (4) times per year. All meetings of the Board, to the extent not exempt or deemed confidential by Florida law, will be open to the public and are subject to the notice requirements of Section 286, Florida Statutes. Robert's Rules of Order will be followed unless the Board has explicitly substituted an alternative procedure. Discussion at meetings of the Board will be confined to those issues that clearly fall within the Board's authority according to its Statute and Policies. Board deliberation at meetings will be timely, fair, orderly, thorough, and efficient.

7.2 Board Member Attendance

Carrying out the work of the Board effectively requires a commitment to attend Board meetings in person or via telephone or videoconference. Appointed Board members may be removed by the appointing official for cause. Absence from three consecutive meetings is cause for removal.

7.3 Board Self-Evaluation

The Board shall periodically review its own effectiveness. It shall conduct a formal assessment of its own performance annually at the same time that it reviews the performance of the President and shall take any steps for improvement in its governance practices suggested by such review.

7.4 Conflict Resolution

Board members are commonly recruited to bring diverse views on issues to Board debates and decision-making. Constructive disagreements between Board members are encouraged in a well-functioning Board. They can generally be managed by following proper rules of procedure and encouragement of good listening skills. However, in an intense Board debate, disagreements sometimes degenerate into serious conflict on issues or between personalities. The Board Chair is responsible for managing such conflicts. It is important to identify early on whether the conflict is based on the immediate issue at hand or has deeper roots based on differences in personal values and history, personalities, personal or political agendas, gender or culture.

In the event the conflict is not resolved to the satisfaction of the parties to the dispute, one or both members may put their complaint in writing and direct it to the Board. The Board is responsible for deciding whether to engage the services of a mediator.

7.5 Board Member Expenses

Board members are entitled to be reimbursed for expenses occurred during activities required to carry out their duties on behalf of Space Florida in accordance with Florida Statutes. All Directors are required to have advance approval through Space Florida's Executive Assistant prior to

expenses incurred.

8. BOARD DECISION MAKING

Decisions of the Board are made as a group at Board meetings at which a majority of the total number of current voting Directors shall constitute a quorum. The Board may take official action by a majority vote of the voting members present at any meeting at which a quorum is present. A quorum is required for the transaction of any business of Space Florida. Decisions will ideally be made through a consensus development process leading to a formal vote to record the decision. This process is intended to encourage full discussion and development of a decision that all, or at least the largest possible majority of, Board members can support, prior to a vote. Where disagreements continue to exist, dissenting members may request that their objections be recorded in the minutes. A favorable vote of a majority of the voting members present, regardless of abstentions, is required for approval.

9. BOOKS, RECORDS & REPORTS

9.1 Records of Space Florida

The Records of Space Florida regarding matters encompassed by the Space Florida Act, to the extent not exempt or deemed confidential by Florida law, are public records subject to the provisions of Chapter 119, Florida Statutes.

9.2 Books & Records

Space Florida shall keep correct and complete books and records of account and shall keep minutes on the proceedings of the Board of Directors. Space Florida shall keep at its principal place of business a Membership Register giving the names and addresses of each member of the Board of Directors as well as the original or copy of these Governance Policies, including amendments to date.

9.3 Annual Report

The Board of Directors shall cause to be prepared an annual report of operations as identified in Florida Statutes Chapter 331.310(2)(e). Such report shall be submitted each year by November 30 to the Governor, the President of the Senate and the Speaker of the House of Representatives.

Attachment 1

Space Florida

Audit, Accountability, and Compensation Committee Charter

Role

The committee's role is to focus on ensuring financial and internal control integrity and human resources stewardship, structure, compensation, and employee benefit plans of Space Florida.

Membership

The Audit, Accountability, and Compensation Committee shall consist of three or more Directors, each of whom is to be free of any relationship that, in the opinion of the Board, would interfere with his or her exercise of independent judgment. The Audit Committee shall include at least three people who have the following attributes: (i) an understanding of generally accepted accounting principles and financial statements; (ii) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves; (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by Space Florida's financial statements, or experience actively supervising one or more persons engaged in such activities; (iv) an understanding of internal control over financial reporting; and (v) an understanding of audit committee functions. The members of the Committee shall be appointed by the Board Chair and will serve for two years. The Board Chair will also recommend a voting Director as the chairperson of this Committee for Board approval.

Operations

Meetings of the Audit, Accountability, and Compensation Committee will occur as the Committee Chair or the Board Chair deem advisable. The Audit, Accountability, and Compensation Committee will keep adequate minutes of all its proceedings and will report its actions at the next meeting of the Board via consent agenda whenever possible. The Audit, Accountability, and Compensation Committee will be governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment) as are applicable to the Board. The Audit, Accountability, and Compensation Committee members will be furnished with copies of the minutes of each meeting.

Authority

The Audit, Accountability, and Compensation Committee will have the resources and authority necessary to discharge its duties and responsibilities, including the authority to retain outside counsel or other experts or consultant, as it deems appropriate.

Responsibilities

Subject to applicable governance laws, the principal responsibilities and functions of the Audit, Accountability, and Compensation Committee are as follows:

- Review and approve policies and procedures that promote accountability, ethical values, and sound control practices;
- Perform organizational risk management;

- Annually review the internal accounting and financial reporting process, including internal controls with management and the scope and adequacy of internal controls with the independent auditor;
- Approve External Audit Plan;
- Review and approve internal audit reports;
- Review and approve Management Letters;
- Executive session with External Auditors;
- Respond to process breakdown reports;
- Provide human resource stewardship by providing management of succession planning;
- Evaluate, review and approve compensation and benefit plans and policies of Space Florida;
- Oversee Space Florida's compensation philosophy and strategy and at least annually assess Space Florida's risk relating to its compensation policies and practices;
- Perform annual review of the President and Treasurer's performance and compensation.

The Audit, Accountability, and Compensation Committee is a Space Florida Standing Committee and reports directly to the Board of Directors through the Committee Chair or its designee.

Staff Support

Primary staff contact for the Committee is:

Denise Swanson, EVP, Chief Financial Officer and Corporate Administration Officer

Phone: 321-730-5301 Ext. 250

Email: dswanson@spaceflorida.gov

Additional support is provided by:

Howard Haug, Treasurer, EVP and Chief Investment Officer

Phone: 321-730-5301 Ext. 227

Email: hhaug@spaceflorida.gov

Attachment 2

Space Florida

Investment Committee Charter

Role: The Committee's role is to be charged with the responsibility of advising the board on investment policy and implementing such policy. Monitor the investment activities, policies, guidelines and risk limits and ensure that Space Florida's investment programs are consistent with clearly defined objectives to foster the growth and development of a sustainable and world-leading aerospace industry in Florida.

Membership: The Investment Committee shall consist of three or more Directors, each of whom is to be free of any relationship that, in the opinion of the Board, would interfere with his or her exercise of independent judgement. The Investment Committee shall include people who have the following attributes: (i) Knowledge of Space Florida's purpose, powers, and tool box for investment, (ii) Knowledge of current financial market/investment trends and best practices, (iii) Critical Thinking, (iv) Analytical and Technical Skills, and (v) receptive on implementing new and creative investment philosophies. Additionally, at least one member shall have bond financing experience. The members of the committee shall be appointed by the Board Chair and will serve for two years. The Board Chair will also recommend a voting Director as the chairperson of this committee for Board approval.

Operations: Meetings of the Investment Committee will occur as the Committee Chair or the Board Chair deem advisable. The Investment Committee will keep adequate minutes of all its proceedings and will report its actions at the next meeting of the Board via consent agenda whenever possible. The Investment Committee will be governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment) as are applicable to the Board. The Investment Committee members will be furnished with copies of the minutes of each meeting.

Authority: The Investment Committee will have the resources and authority necessary to discharge its duties and responsibilities, including the authority to retain outside experts or consultants, within Space Florida's procurement policy, as it deems appropriate.

Responsibilities: Subject to applicable governance laws, the principal responsibilities and functions of the Investment Committee are as follows:

- Assist Space Florida to achieve its objective to foster the growth and development of a sustainable and world-leading aerospace industry in Florida;
- Review the investment strategy and tools of Space Florida;
- Review investment activities and performance in accordance with the established Investment Policies and Procedures;
- Assist Space Florida in developing relationships with key decision makers in the lending, financing and capital markets.

The Investment Committee is a Space Florida Standing Committee and reports directly to the

Board of Directors through the Committee Chair or its designee.

Staff Support: Primary staff contact for the Committee is:

Primary staff contact for the Committee is:

Howard Haug, Treasurer, EVP & Chief Investment Officer

Phone: 321-730-5301 Ext. 227

Email: hhaug@spaceflorida.gov

Additional support is provided by:

Denise Swanson, EVP, Chief Financial Officer & Corporate Administration Officer

Phone: 321-730-5301 Ext. 250

Email: dswanson@spaceflorida.gov

Investment Policy



Space Florida Investment Policies and Procedures

Purpose

This document provides guidance regarding investment criteria and portfolio management of Space Florida's investments. The objective of Space Florida's investment criteria and portfolio management policies are to maintain focus on Space Florida's mandate and mission to drive growth of the aerospace industry and to provide a framework that reduces or eliminates deviations or decisions driven by emotional or political factors.

This document establishes governance, return and risk objectives, types of investments, and risk management by Space Florida for the purpose of executing its government mission. In doing so the policy defines:

- 1) The delegation of duties and responsibilities concerning the management of Space Florida investments.
- 2) The criteria for investment and performance.

Through the definition of these elements, the policy serves to inform the Board, staff, clients, stakeholders, and other interested parties that may have an interest in the execution and management of Space Florida's investments. This policy also serves as a review document to guide the ongoing oversight of the management of the organizations' investments procedures and processes.

1) Delegation of Responsibilities

The Board of Directors via its Investment Committee has a direct oversight role regarding all decisions that impact Space Florida's investments. The Board has delegated supervisory responsibility for the management of Space Florida's investments to its' Investment Committee. Specific responsibilities of the various bodies and individuals responsible for the management of investments are set forth below:

Responsibilities of the Board:

The Board shall ensure its responsibilities concerning the management of Space Florida's Investments are fulfilled through appropriate investment structure and management consistent with its policies and procedures. Based on the advice and recommendations of the Investment Committee, the Board shall:

- Select, appoint, and remove members of the Investment Committee.
- Approve investment policies and objectives that reflect the long-term investment-risk orientation of Space Florida's Mission.

Responsibilities of the Investment Committee:

Members of the Investment Committee are held accountable for adherence to procedural prudence, or the process by which decisions are made in respect to the Investment. Members of the Investment Committee are not held accountable for the outcome of specific investments including less than desirable outcomes. In consideration of the foregoing, the Investment Committee is responsible for the development, recommendation, implementation, and maintenance of all policies relative to Space Florida's Investments and shall:



- a) Develop and/or propose policy recommendations to the Board regarding the management of all Space Florida investments.
- b) Review and recommend to the Board Project and Contract Activities proposed by management.
- c) Recommend long-term and short-term investment policies and objectives, including the study and selection of asset classes, determining asset allocation ranges, and setting performance objectives.
- d) Ensure that investments are prudently and effectively managed with the assistance of Space Florida management and any necessary investment consultants and/or other outside service professionals, if any.
- e) Monitor and evaluate the performance of Space Florida management and staff responsible for the management of investments.
- f) Convene regularly to evaluate whether this policy, investment activities, risk management controls and processes continue to be consistent with meeting the goals and objectives set for the management of investments.

Responsibilities of Management:

Management shall be responsible for day-to-day administration and implementation of policies established by the Board and/or the Investment Committee concerning the management of Space Florida's Investments. Specifically, management shall:

- a) Oversee day-to-day operational activities of all investments subject to policies established by the Board and/or the Investment Committee.
- b) Propose Project and Contract Activities to the Committee for review, vetting, and recommendation for Board action.
- c) Regularly meet with any outside service providers to evaluate and assess compliance with investment guidelines, performance, outlook, and investment strategies; monitor asset allocation and rebalance assets, as directed by the Investment Committee and in accordance with approved asset allocation policies, among asset classes and investment styles; and tend to all other matters deemed to be consistent with due diligence with respect to prudent management of Space Florida's investments.
- d) Comply with official accounting and auditing guidelines regarding due diligence and ongoing monitoring of investments.
- e) Prepare and issue periodic status reports to the Board and the Investment Committee. Specifically periodic reports that address:
 - i.) Total quantities and overall quality of investment opportunities.
 - ii.) Assessment of "Qualities of Value" of proposed investment. Disclosing qualities NOT met.
 - iii.) Status of Work-In-Process.

2) Investment Considerations

In accordance with Florida Statutes 331.305 (5) & (6), 331.310(1d) and Space Florida's Vision, Mission, Objectives, Strategies and Tactics (VMOST), the Investment Committee must consider the purposes of managing and investing for Space Florida. ***Space Florida investment assets are held because of its mission activities and not primarily for the purpose of income or profit.*** All individuals responsible for managing and investing must do so in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. In making any decision relative to investment, the following



qualities of value within an investment opportunity should be considered and subject to due diligence. Due diligence meaning investigation, audit, and review to confirm facts, details of a matter, and representations made that a reasonable businessperson would normally expect to take place before entering into an agreement.

Qualities of Value in Considering Investment Opportunities:

- Skilled entrepreneur with team and industry experience (business/company history) (Organizes and operates a business taking on greater than normal risk to do so)
- Clear and achievable Mission or Vision for the entity (helps define and direct the timeline and core competencies and capabilities the entity must develop and hone)
- Problem solving experience (the demonstrated ability to solve, not just debate, real business and technical problems)
- Feasible and effective business model
- Large addressable market with favorable market conditions
- Fair valuation of the entity based on industry and market benchmarks
- Experience and demonstrated ability to handle rejections and keep the business going
- Investors with industry expertise
- Established and effective safety nets and viable exit plan (including a doomsday plan)
- Established and beneficial relationships in the company's niche
- Low competition / high barrier to entry (uniqueness of the entity or offering)
- Detailed business and operations plan with focus on fundamental resources available to an entity (i.e., those resources an entity can fully manage, manipulate, or control) including Human, Information, Financial, Material, and Time
- Time in business (meaning the amount of time a company has engaged (1) in the identification and satisfaction of the desires of its customers, by (2) way of planned and coordinated efforts of employees and team for (3) a reasonable profit available to owners)
- Monthly revenue as indication of a Going Concern; meaning to have the resources to continue making enough money with no immediate concern of liquidation or remain active for the foreseeable future until a show of evidence to the contrary.
- Credit score as an indication of creditworthiness; meaning whether a lender considers an entity willing, able, and responsive enough to make loan payments as agreed until loan is repaid
- Availability and quality of collateral (for leverage)
- Evaluation of the purpose of loan/investment (e.g., use of funds)
- Evaluation of source and use of funds needed to accomplish objectives
- Evaluation of personal information of key individuals including credit history, criminal history, employment roles and responsibilities, professional certificates, citizenship, and other factors
- Evaluation of outstanding loans/debts/obligations of key individuals (personal guarantees or other guarantees)

Guidelines for Investing:

Good investments have a "high probability" of success. Success for Space Florida is achievement of the organizational Vision, Mission, and Objectives as defined in Space Florida's VMOST. Qualities for successful investment that Space Florida intends to demonstrate are: Contrary Thinking, Patience, Composure, Flexibility, and Decisiveness. Successful investment constraints that Space Florida must consistently address are time, risk tolerance, economic conditions; and the ongoing capabilities and



competencies of the target entities' technology, business model, and management (e.g., governance, management team).

Performance Measurements Standards:

The benchmarks to be used to evaluate the performance of the investments will be first and foremost to demonstrate that the investment is enabling Space Florida to fulfill its mission to grow and diversify the aerospace industry in Florida, and, secondarily to meet the performance target of 1.5 times greater than cost (to be determined with the Investment Committee). It is the responsibility of the Investment Committee of the Board of Directors to regularly review the performance of the investments and investment policy guidelines, and report to the Board of Directors annually with updates and recommendations as needed.

Reserve Investment Fund:

The Board of Directors and the Investment Committee are responsible for the establishment of a Reserve Investment Fund (RIF) to: (a) ensure that over the medium-to-long term, sufficient investment return shall be redeemed and reinvested to preserve and grow the RIF as a priority; and (b) provide funds for the annual operating budget in an amount as recommended by the Investment Committee to the full Board for approval. Space Florida may make investments under this policy using a combination of funds from the RIF to leverage up aerospace financing appropriations with the goal of achieving at least a ratio of 1:10 (to be determined by the Investment Committee).

Annually, Space Florida is authorized to withdraw up to 10% (to be determined by the Investment Committee) of the total Fair Value per Governmental Accounting Standards Board (GASB) Statement No. 72 of the RIF for the organization's organic growth purposes. The withdraw percentage is applied to the trailing thirty-six-month Fair Value to smooth fluctuations that may occur in total Fair Value. The dollar amount and timing of any distribution(s) from the investment account will be the responsibility of the Chief Executive Officer and the Treasurer.

Compensation Philosophy



November 15, 2023

Compensation Philosophy: The Foundation of our program

Space Florida's Compensation Philosophy is based on the principles of competitive and fair compensation for sustained performance. We achieve our aims through a competitive program that:

- Aligns with the organization's statutory intent (FS 331.3011), mission, vision, and strategy,
- Aligned with Stakeholders Shared Common Interests,
- Competitive and market-based, considering the complexity of the organization's intent, purpose, powers and duties and relative scale.
- Balance both short- and long-term focus, and,
- Align with accepted industries best practices.
-

Space Florida's Compensation Program is designed to attract, motivate, and keep employees' who drive its' success and leadership while considering individual and Space Florida performance and alignment with its statutory intent and purpose (FS 331.3011 and 331.302).. Space Florida Guiding Compensation Principles are:

Competitive and Fair Compensation

The compensation philosophy of Space Florida is to establish and maintain employee within an appropriate market-based compensation range that reflect position roles and responsibilities and individual performance to ensure the organization is well positioned to attract, motivate, and keep qualified, competent employees.

To ensure that total compensation is competitive, Space Florida's Compensation and Performance Management Guidelines requires that practices be compared with those of other entities in Space Florida's market sectors on a periodic basis (currently every three years).

In February of 2023, Harrington & Associates, Inc. was engaged to conduct a benchmark market-based compensation study to determine the compensation ranges for forty-eight (48) unique positions within Space Florida. Space Florida maintains an up-to-date compensation system to ensure that each role has an approved position description and has been evaluated into an appropriate market-based compensation range suited to its' role and responsibilities.

For this Study, Market-based compensation for each role was found in a variety of survey data from reputable publishers and research entities, where compensation ranges for like or similar work in like or similar organization is provided. Example peer entities that supply the best comparisons include airports, seaports and other highly regulated transportation environments of equivalent size and multiple use that correspond to Space Florida's Spaceport Authority activities. For Space Florida's Aerospace / Space Business Development activities peer entities that provide the best comparison with corresponding revenue levels and investment portfolios included boutique investment banks and real estate investment entities that manage complex, innovative financing arrangements. Regarding



Space Florida's independent special district, a body politic and corporate, and a component unit of the State of Florida activities, peer entities are state / regional wide economic and workforce development organizations.

Guiding Pay Principles

Space Florida's Compensation Program is designed to encourage its employees to: (1) Produce outstanding results in fulfilling Space Florida's Spaceport Authority Mission and Space Florida's Funding & Program Agreement with the State of Florida; (2) Create sustainable long-term value for Space Florida's Stakeholders Common Interest; and (3) Consistently fulfill their roles and responsibilities in an ethical manner. Space Florida's Guiding Pay Principles are:

- Alignment with Organizations statutory intent (FS 331.3011), mission, vision, strategy, and shared common interests of Stakeholders: For example, to foster the growth and development of a sustainable and world leading industry in the State of Florida, and to generate positive benefits for the state without uniquely benefitting any entity or Stakeholder.
- Competitive and Market Based: to attract and keep world-class talent with the abilities and experience necessary to develop and execute spaceport authority strategies, obtain superior results, and build long-term value for stakeholders within a government environment as large and complex as the State of Florida.
- Balanced Short - and Long - Term Focus: Ensure that the compensation program provides a suitable balance between the achievement of short- and long-term objectives, with a clear emphasis on managing the sustainability of the spaceport authority and mitigating risk.
- Alignment with Generally Accepted approaches: Supply policies and programs that fit within the framework of accepted approaches adopted by leading similar entities. Do note a Pay for Performance component is an accepted fundamental component of a competitive compensation package among Space Florida's peer groups. However, Space Florida has NOT implemented a Pay for Performance component.

Sustained Performance

Employees are rated annually based upon Space Florida's performance and their individual performance. Appraisal ratings are graded on a 1 to 5 scale where 5 is "Substantially Exceeds Expectations" and 1 is "Not Meeting Expectations." Overall score is a combination of weighted components consisting of 40% on core behaviors, and 60% on performance. Space Florida's corporate performance is evaluated by the extent to which the entity's strategic goals and performance metrics are met. Individual performance is evaluated and documented by the employee, their supervisor and a reviewing official.

Compensation Objectives

There are three primary objectives of our current compensation program.

First, we must attract, motivate, and keep qualified and competent talent to lead and execute our statutorily defined roles and responsibilities to foster growth and industry leadership while



controlling the costs associated with this mission. The high-profile nature of the Space / Aerospace Industry and Space Florida's interconnections with the State of Florida adds complexity to this challenge.

Second, the compensation program must effectively tie pay and benefits to the positions' role and responsibilities, and performance against measurable targets. Specific performance targets are to be set for Space Florida by the State, via Space Florida's Funding and Program Agreement with the State of Florida, and our Board of Directors each year. A competitive combination of base and performance pay increases the probability of superior short- and long-term performance.

Finally, the compensation program must properly energize employees to fulfill the mission of Space Florida, deliver returns to its common interest stakeholders, and strengthen the position of the State within the Global Space / Aerospace Industry.

Compensation Components

To meet these three objectives compensation is currently divided into three elements; *base*; *pay for performance*; and *employee benefits*. The Board Committee assigned with the Role and Responsibility to monitor present and future compensation structure and employee benefits oversees Space Florida's Compensation and Performance Management Guideline required benchmark market-based compensation study by a Compensation Consultant. Study results provides a total compensation range for each unique position within Space Florida. Study results are incorporated into Space Florida's Compensation and Performance Management Guidelines.

Base: Base cash compensation is paid on a periodic basis and recognizes the role and responsibilities of the employees' unique position, and the daily performance needed from the employee's position. Base cash compensation is set for each unique position within Space Florida using broad industry information, as well as peer entity analysis. Annual base salary reviews are to continue to reflect alignment with market data, as well as individual performance of assigned responsibilities and changes in the scope of responsibilities. Targeted performance criteria vary for each employee based on his or her respective area of responsibility.

Pay for Performance. Generally paid annually and are tied to exceeding agreement and budgeted short- and long-term targets. Pay for performance potential is based on market and peer group analysis. Space Florida has not been successful to secure board action for a Pay for Performance component.

Employee Benefits. All employees are provided a benefit package that includes medical, dental, medical gap, vision, life and disability insurance. Space Florida pays 100% for the employee only coverage, and 75% for family coverage of medical, medical gap, and dental. Employees may take part in either of two health plan options that are supplied and can enroll in a healthcare flexible spending account. Space Florida has a Simplified Employee Pension Plan (the "Plan"). The Plan cuts the taxation required for the social security element of the Federal Insurance Contribution Act (FICA) for all participants and for Space Florida. All employees of Space Florida take part in the Plan. Space Florida also offers an employee only contribution deferred compensation plan (457b).



Compensation of President & CEO, and the Executive Vice President Treasurer & Chief Investment Officer

The Board Committee assigned with the Role and Responsibility to monitor present and future compensation structure and employee benefits will separately review the annual compensation for these executives and will present to the full board for action a market-based compensation level within the Benchmark Market-Based range. The Committee will take into consideration the effectiveness of their leadership and success in fulfilling the mission of Space Florida. The process will be administered by an independent compensation consultant. whereby annual performance evaluation documents will be completed by the executives and presented to the committee.

Current pay to market analysis and recommendations

The current Study's timeframe (January 1, 2021, to July 1, 2023) indicates it is time to broaden compensation ranges due to a dramatic market-based shift in terms of overall pay trend due to unusual circumstances during the period business was significantly impacted by Covid-19 and, the upward compression as each State's legislative practices moves toward a minimum wage level of \$15.00 per hour. Specifically, the Consultant reports that the country experienced a perfect storm that influenced market-based compensation based due to:

- Greater than 200% change in the minimum range.
- The effects on employers due to the Covid-19 pandemic.
- The skills gap, demand for more flexible work schedules, and other circumstances that have kept people away from work.

In ordinary times, one would have expected pay range adjustments in all levels of work at Space Florida and its benchmark unique positions of about 2.5% to 3% per year, or 6.25% to 7.5% over the study period. However, Non-exempt position have increased between 26% to 48%, Exempt position at the low end 19% and at the very high end flat or lower. It was noted, by the consultants, that though the study gathered market information from available surveys that are most representative of the market-based compensation ranges for the roles at Space Florida and while comparisons are made, it is the Named Executive Level at Space Florida that is responsible for making the decisions regarding the compensation of individuals taking into account that the overall value of work at Space Florida has escalated over time.

2023 Back-to-Market Survey Process Report

2023 BACK-TO-MARKET SURVEY PROCESS REPORT

S P A C E F L O R I D A



10/8/2023

PREPARED BY

HARRINGTON & ASSOCIATES, INC.

Total Rewards Consulting
321-733-3331 www.harrington-hr.com



HARRINGTON & ASSOCIATES, INC.

TOTAL REWARDS SYSTEMS CONSULTING

The 2023 Back-to-Market Base Compensation Study for which Harrington & Associates, Inc. was engaged by Space Florida, Inc. is now complete, and the results have been provided to Space Florida top management. The consultant has performed an analysis of the market related to the full spectrum of Space Florida's current jobs, with the exception of only the two positions that report directly to the Board of Directors.

This document is meant to explain the process followed and the overall results of the studies completed. This process was used separately for each of the three Units of positions at Space Florida; Executive, Exempt, and Nonexempt. The process used for each is the same, though results differ somewhat. The results for each Unit are reported separately in documents provided to Space Florida for each Unit.

SURVEY SELECTION AND JOB MATCHING, DATA COLLECTION AND ANALYSIS, AND FINAL DATA SELECTION:

For all Units of work at Space Florida; Executive, Exempt, and Nonexempt, we were able to capture data matches for this Back-to-Market Study from the following surveys:

- ERI
- CompData
- Comp Analyst
- EAG – (Employers Association Group)

From each of these surveys, we selected positions that matched well, by description and implied level, with Space Florida's roles.

For each Unit, the respective cleansed and updated base pay ranges were subjected to a regression analysis process and plotted and trended to identify the overall market trend of pay for each of the three Units of work. Thereafter we conducted a second data review to seek out and remove any remaining inappropriate data. The resulting overall trend for each Unit provided us with the mid-point values for each grade of work (also termed "Control Point" value) Where appropriate we used the Geodifferentials survey to move data from national values to Florida appropriate rates.

REPORTING:

As mentioned earlier, for each separate Unit we have created a Back-to-Market Study Report. The report provides a number of documents beginning with the alphabetical job title listing and ending with the organization's roster, effective as of July 1, 2023.



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ALPHABETICAL JOB LISTING:

This is generally the first document in each Unit report. It is a list of all job titles and the grade into which they have been evaluated based on the point factor job evaluation system employed by Space Florida, which values the amount of skill, effort, responsibility and job conditions required by the job duties of each unique role and as measured by eleven separate factors.

GRADE SUMMARY:

The Grade Summary is the second page in the report. It is a listing of all of the jobs covered by in the Unit covered by the report. It has either a job code or an employee name, listed for each role, depending on the need of the client. In the case of Space Florida, there is generally only one person in each role and thus, historically, they have named the incumbents on the grade summary for ease of identification. Where appropriate, we have listed more than one incumbent in a role. Next, the Department is listed, followed by the Position Title, the Grade and Points resulting from the job evaluation process covering the values for eleven different factors as measures of skill, effort, responsibility and job conditions in the National Position Evaluation Program; the system adopted by Space Florida and used by Harrington & Associates, Inc. to determine the relative relationship of all positions to each other.

COLLECTING, ANALYZING AND TRENDING SURVEY DATA

In a Back-to-Market Base Compensation Study, we do not re-analyze the jobs or evaluate the positions presented. Rather we rely on the current job descriptions which have been previously analyzed and evaluated as changes in them occur to provide us with the detail and the relative relationship of the jobs to each other. We collect pay-related data in the surveys from organizations that are structured and situated much like Space Florida, as to budget or revenue, public and private ownership, number of employees and other situational factors.

We review the current job descriptions, identify market compensation surveys that are relevant to the jobs and available to us (as indicated above). We match the job descriptions to the role descriptors found in published surveys, particularly in the segments of the market that are related to the size and nature of Space Florida. The published surveys we use generally provide national compensation data. In each case, the data we select to be used for the purpose of defining ranges that are reflective of the overall market at a specific time are updated for the passage of time between the date the survey data was captured and submitted by participants to the date at which Space Florida wishes its ranges to go into effect. In this case, the ranges for all Units were brought to July 1, 2023, as the effective date.

In addition to base compensation surveys used here, we used the current Mercer Geodifferential Survey to identify the relationship of national rates published in the market surveys to rates in Florida. This is done particularly for the nonexempt roles since most Executive and Exempt roles will have recruitment practices that include national searches.

For this study, we collected the base compensation data and other relative facts from the above-named surveys that were highly correlated to Space Florida's roles. We cleansed the data by identifying rates



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that were outliers and tracing the matches made. Unsuitable data was eliminated and the remaining data, including hundreds of rates for matched jobs, was separated for matches to roles in each of the three Units, Executive, Exempt, and Nonexempt.

Regression analyses were completed for each Unit, by survey. The data was then plotted by survey to identify similarities of data collected from each survey for each specific Unit and to identify any outliers that were not captured in the initial review of the numbers. From the individual data trends for each survey for a given Unit (Executive, Exempt, or Nonexempt) we were able to determine which data may not have been useful for that Unit and eliminate that data from the universe used to create the overall market value of work.

Once this process was completed for each Unit, we had a completed trend of base salary rates across all grades of work for each Unit, and the correlation coefficient for each to tell us the validity of the relationships of the data to the grades as assigned by the job evaluation process. We found that in all cases, the market base pay trends compiled for each Unit presented statistical measures that were consistent with a clearly positive relationship between job evaluation points and grades to the base pay values of the survey job matches we made.

PAY RANGE DEVELOPMENT & COMPENSATION COMPARISON CHART

The resulting trends of pay for each Unit are depicted on the Compensation Comparison Chart in each of the booklets provided for each Unit. The chart is a graphic representation of the Recommended Pay Ranges for the Unit and how current employees are paid for their roles, with a trend of current pay depiction as well.

While the Compensation Comparison Chart is a graphic representation of the results, the Recommended Base Compensation Ranges on the page just prior to the Chart, provide the dollar values for each of the pay ranges being recommended, including the Minimum value, Control Point (Mid-Point) and Maximum Value of the ranges recommended for each grade of work. They are defined by the point at which the center value of job evaluation points for each job, correlates to the center value of pay based on the overall market trend of work for that specific Unit (Executive, Exempt, or Nonexempt).

Nonexempt Ranges:

The nonexempt ranges have minimum and maximum values that are positioned at plus and minus 20% of the control point of each grade of work, providing for a total range spread, from minimum to maximum of 50%. There are nine unique job titles studied under this Back-To-Market process that are classified in the Nonexempt Unit of work at Space Florida.

Exempt Ranges:

There are thirty-six unique Exempt job titles and that have been studied under the Back-To Market process. The ranges for Exempt roles have been devised on a continuum that positions the minimum and maximum values at plus and minus 20% of the control point in the lowest grade (9) to plus and minus 27% for the creation of the minimums and maximums in the highest grade (18). These values represent an overall range spread of from 50% from minimum to maximum of a range to 75% spread.



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The purpose of the continuum is to allow the organization to provide greater differentiation in rates of pay for grades of work that require greater skill, effort, responsibility, and job conditions. Where jobs require greater amounts of these attributes, an organization generally requires the ability to use a broader set of ranges to make distinctions in pay that recognize where there is measured value an incumbent brings to work outcomes. In lower graded positions, those distinctions have significantly less impact on the organization's results and consequences, and therefore require less distinction in pay.

Executive Ranges:

Only five (5) unique titles are covered in the Executive Ranges. These roles represent the Executive Team at Space Florida and range in grades between nineteen (19) to twenty-six (26). The ranges associated with these grades of work have minimums and maximums positioned at plus and minus 30% of Control Point. While the organization may wish to have somewhat broader ranges for the distinctions mentioned above in the Exempt ranges explanation, we did not choose to make range spreads greater than slightly over 85% as the Executive Ranges at Space Florida have historically been limited in their ability to earn other than base compensation as rewards for the work as it impacts the organization's results, and the expectations of State Government may impact the assignment of broader ranges. At this particular time, there is likely reason to move to broaden the ranges for this group of employees since the market for these roles has shifted dramatically in terms of the overall trend of pay due to the unusual circumstances surrounding the national markets during the period when business was significantly impacted by Covid – 19 and because of the upward compression that has risen to all levels of an organization as the country, through each State's own legislative practices moves to or toward a minimum wage level of \$15.00 per hour.

The Effects of COVID-19 and Adjustments to the Minimum Wage:

It may seem unrealistic to speak to "minimum wage increases" in a segment of the report related to Executive level pay trends, but this level of the market has seen its base compensation trend shift at least as dramatically as any in the country. Since the last study of the market conducted by Space Florida in 2020, the market for Grade 19 has shifted upward by more than 19%. Much of that shift has been a result of lower valued roles shifting up to make room for the lowest roles in an organization moving toward a change in minimum level by 206% (\$7.25 to \$15.00) over varying periods of time. In Florida, that time period will not end until September 2026, but that is not the case for many states where those changes have already gone into effect.

In the same time period (January 1, 2021, to July1, 2023) the Nonexempt Unit of work at Space Florida, wherein grades range from a low of Grade 4 to a high of Grade 9, we have identified shifts in value of the control points of every grade on a continuum. The increase in value begins with Grade 4 at the lowest end of the spectrum, where the control point of the range has increased 48% in the past three and one-half years to Grade 9 showing an increased value of 26%. While the lower end of the work values has increased greater in this Unit as well as all others, the highest end also increased in value, whereas that was not the case in any other Unit.

This effect was only slightly noticeable in the Exempt ranges at the very highest grades. In 2020, grade eighteen (18) the control point was nearly 4% higher than it is today, while the control point for



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grade nine (9) rose by 25% during that same period. In Unit IV, the Executive group, grade nineteen currently has a range control point that is 16.6% higher than in 2021. At the same time, grade twenty-six (26) is showing a control point that is 16.0% lower than it was in January 2021. Thus, the entire trend of the market has shifted dramatically in this segment over the past two- and one-half years.

We have been experiencing a perfect storm influence on compensation:

- Greater than 200% change in the minimum range
- The effects on employers due to the COVID-19 pandemic,
- The skills gap, demand for more flexible work schedules, and other circumstances that have kept people away from work.

In more ordinary times, we would have expected to see pay range adjustments in all of the levels of work at Space Florida and other similar employers of about 2.5% to 3% per year or 6.25% to 7.5% during this same two- and one-half year period of January 1, 2021, to July 1, 2023. It has consistently been the norm for employers to adjust their ranges annually by these percentages.

UNDER AND OVER LISTING

The next sheet in the booklet is an Under and Over listing depicting the recommended range for each grade of work within each Unit, along with the incumbents in the roles that are evaluated into that grade of work, their current rate of pay, and their “Compa-Ratio”. Compa-Ratio is a measure of the employee’s salary divided by the Control Point of the range of the grade into which the role is evaluated. Compa-Ratio tells us the relative relationship of each employee’s pay to the Control Point of the range to which the role is assigned. Further, this report tells communicates the amount by which the incumbent in the role is paid below the minimum of the range, the amount below the control point of the range and the amount over the control point, as well as the amount over the ranges the incumbent is paid. For incumbents whose rates are below the minimum of the range we have printed their data in green while employees with rates over the top of the range have data printed in red, relating to the concept of Green Circled Rates (those that need to be higher to be in the range) and Red Circled Rates (those that are over the top of the range).

EMPLOYEE ROSTER

The Employee Roster is the last page in each booklet. It is the listing of each job title, the job evaluation points, and grade assigned to the role based on the job evaluation system used by Space Florida, the name and current rate of each employee in the role.



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FINAL THOUGHTS

It is critical to remember that this is a study of the market value for the jobs at Space Florida where data has been gathered from available surveys that are most representative of the market space also occupied by Space Florida. While we have made comparisons of current employee compensation to recommended market-based ranges for these roles, we recognize only your executive team can make decisions regarding pay of individuals as reported in this study. Additionally, we have noted many job changes at Space Florida, and while it may be that the overall value of work at Space Florida has escalated somewhat over time, we have neither analyzed any such differences nor commented on any differences that may have occurred over the period from the prior market study.

We appreciate the opportunity to have conducted this study to test the market for Space Florida's roles, once again. We will be pleased to respond to any question your team may have as you review the booklets for all levels of roles at Space Florida.

Respectfully submitted,

Judith Harrington, CCP

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Proposed Committee Appointments for Standing Committees



SPACE FLORIDA BOARD OF DIRECTORS

Proposed Committee Assignments

AUDIT, ACCOUNTABILITY & COMPENSATION COMMITTEE

Jonathan Satter (Chair)

COO & Managing Director,
White Wolf Capital Group

Eric Hinson

President & CEO,
Simcom International

Alexis Lambert

Chief of Staff,
Florida Division of Bond Finance

Kevin Thibault

CEO,
Greater Orlando Aviation Authority

INVESTMENT COMMITTEE

Mori Hosseini(Chair)

Chairman & CEO,
ICI Homes

Rodney Cruise

Senior Vice President & COO,
Embry-Riddle Aeronautical University

Neil Keating

Former Chairman, President & CEO of
Kaman Corporation

Proposed Board Meeting Schedule Dates



2024 BOARD OF DIRECTORS SCHEDULE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2024	25			24			24			24		

Resolution 23-47

Authorizing the President and Officers to Enter Into and
Execute Contracts

RESOLUTION NO. 23-47

RESOLUTION

of the
Space Florida Board of Directors
Authorizing the President and Officers
to
Enter Into and Execute Contracts

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SPACE FLORIDA:

Section 1. Findings. The Space Florida Board of Directors hereby makes the following findings and statements of intent:

a. Section 331.310 of the Florida Statutes sets forth the powers and duties of the Space Florida Board of Directors and authorizes the Board to adopt rules and orders to conduct the business of Space Florida.

b. The Board has delegated authority to the President, the Treasurer, and the Chief Financial Officer to enter into and execute certain types of contracts.

c. To continue to operate Space Florida effectively and efficiently and to carry out its mission and purpose, the Board has determined it is necessary and useful to amend such authority and to adopt new policies pertaining to the President, the Treasurer, and Chief Financial Officer.

Section 2. Authority to Execute Contracts Requiring or Receiving Board Approval. The Board hereby authorizes the President, Treasurer, or Chief Financial Officer of Space Florida each to execute and deliver contracts (whether styled as contracts, agreements, interlocal agreements, memoranda of understanding, term sheets, or otherwise – “contracts”) that are approved from time to time by the Board of Directors.

Section 3. Authority to Enter Into and Execute Contracts Not Requiring Board Approval. The Board hereby authorizes the Treasurer and Chief Financial Officer of Space Florida each to execute on behalf of Space Florida contracts not requiring Board approval that obligate Space Florida to expenditures totaling in a fiscal year an amount not exceeding \$100,000.00 without action or approval by the Board. The Board authorizes the President to execute all contracts not requiring Board approval, including those that obligate Space Florida to expenditures in a fiscal year exceeding \$100,000.00.

Section 4. Superseding Clause. All resolutions or parts thereof in conflict herewith are hereby superseded.

Section 5. Effective Date. This resolution shall take effect immediately upon its adoption.

APPROVED this 28th day of November, 2023.

SPACE FLORIDA

By: Its Board of Directors

By: _____
Honorable Jeanette Nunez,
Lt. Governor of Florida
Chair, Board of Directors

ATTEST:

By: _____
Title: _____

Ethics Briefing



GRAYROBINSON

Government in the Sunshine Public Records Ethics:
A Briefing for the Space Florida Board of Directors

November 28, 2023

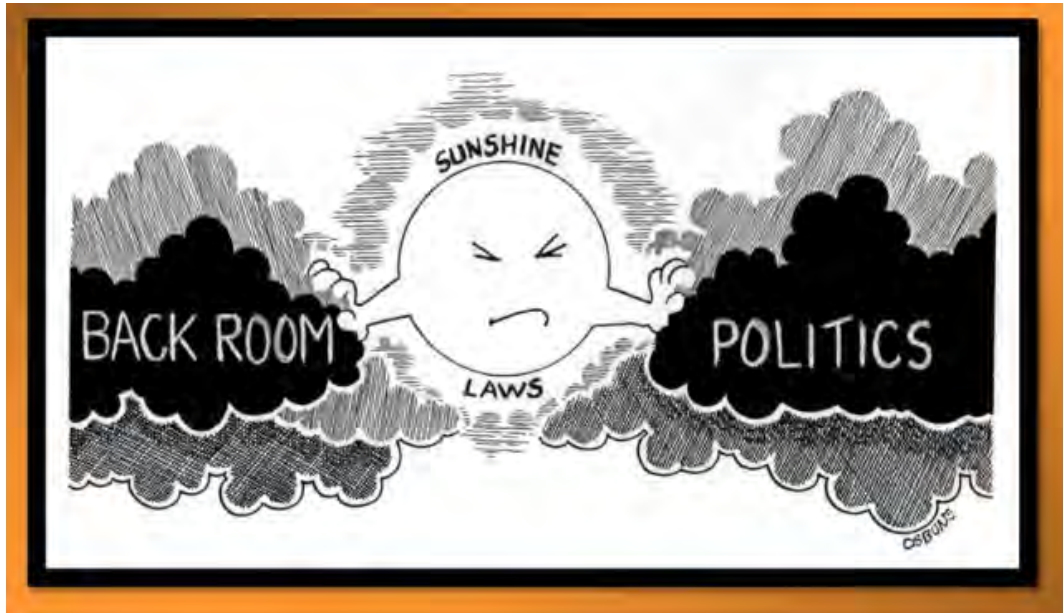
PRESENTED BY

Heather M. Ramos and Thomas J. Wilkes

Overview

2

1. Government in the Sunshine Law – *Chapter 286, Fla. Stat.*
2. Public Records Law – *Chapter 119, Fla. Stat.*
3. Code of Ethics – *Part III of Chapter 112, Fla. Stat.*



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Basic requirements

1. Meetings must be open and accessible to the public.
2. Meetings must be noticed.
3. Written minutes must be taken.

§286.011 Florida Statutes



A public meeting is

- A meeting, conversation, phone call, emails, text messages
- With 2 or more board members of the same board or 2 or more committee members of the same committee
- When the matter is likely to be considered by the board or committee

§286.011 Florida Statutes

Applicable to:

- The Space Florida Board of Directors
- Committees of the Board



When such committees have been delegated
“decision-making authority” as opposed to mere
“information gathering or fact-finding authority.”

Things to remember:

- If 2 or more board members need to discuss Space Florida related business, a meeting must be officially noticed.
- Do not call, text or e-mail each other on Space Florida related business – all discussions must be in an open, noticed meeting.
- You cannot have a person act as a “go-between.”
- Whispering and passing notes at a noticed meeting could be considered an unnoticed meeting if discussing Space Florida business.
- Before, during, or once a meeting is adjourned, don’t talk about Space Florida business.
- Members of the public must be provided an opportunity to address the board during the decision-making process, and before a decision is made.

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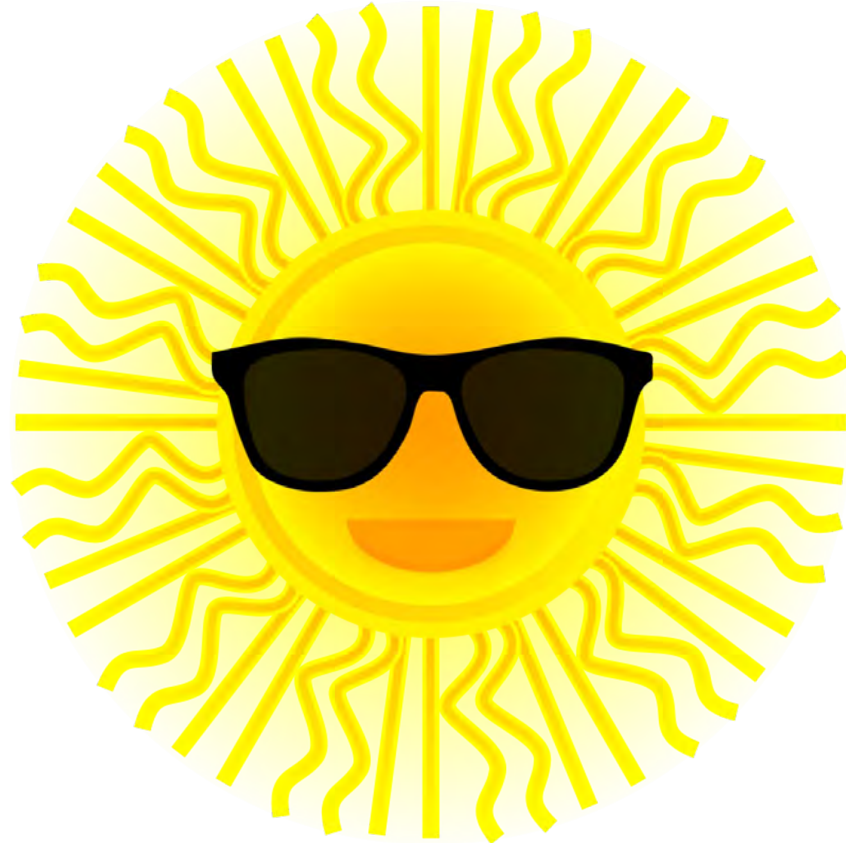
Meetings do *not* include:

- Discussions with a county or city commissioner
- Discussions with state legislators
- Discussions with staff
- Discussions with the press
- Discussions with another board member on matters that will never involve a vote of the Space Florida board

Sunshine Law

8

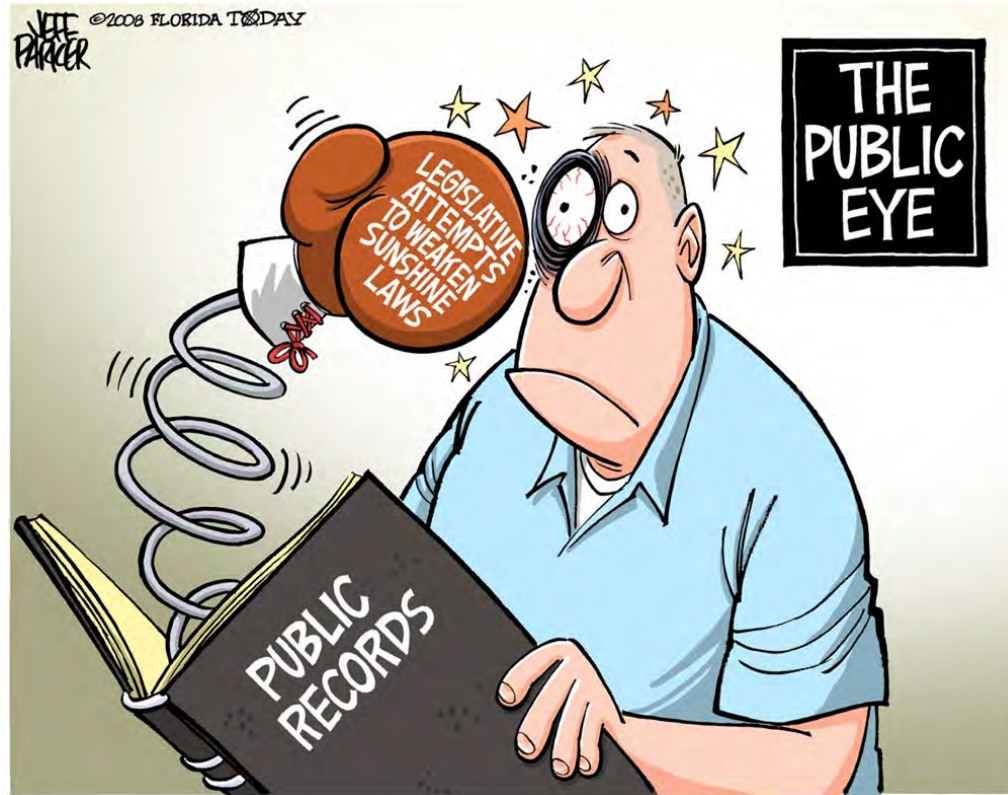
Questions?



GRAYROBINSON

PUBLIC RECORDS LAW

9



GRAYROBINSON

Important things to know:

- **Every** record made or received in connection with Space Florida business is a public record.
- All Space Florida board members and Space Florida employees must permit inspection and copying of public records.
- NOT limited to traditional written documents.
- Includes texts and emails made or received in connection with official business.
- Includes YouTube videos, Facebook and Instagram posts.



Important things to know:

- Public records must be retained for certain periods of time.
- Public records can only be destroyed in accordance with a specific process under state law.
- The law applies to communications with residents, members of the public, employees, consultants, contractors and legal counsel, and others involving Space Florida business, ***even if it is on your private computer, laptop, or phone.*** It is the nature of the record – not the location.
- Purely personal e-mails are not public records, but there is no “expectation of privacy” for communications on a Space Florida-owned computer or phone.

Important things to know:

- Public records include metadata.
- There is no “unfinished business” exemption – drafts and notes can be a public record.
- Public records requests may be verbal, written, e-mailed, by any person at any time for any or no reason.
- You cannot require the requester to provide his or her name, and he or she does not have to say why the records are requested.
- If you receive a public records request, let Denise know immediately.



For violations of the law

- **The State Attorney or a Grand Jury can be involved**
- **Private parties can sue**
- **Penalties can include:**
 - Jail time – 1 year in jail for a knowing violation
 - Fines – \$500 for an unintentional violation
 - Attorney's fees
 - Trial
 - Nasty press coverage



Public Records Law

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Questions?



CODE OF ETHICS

15



GRAYROBINSON

Basic principle of Ethics in Florida

Legislative Intent – Part III of Chapter 112:

“It is declared to be the policy of the state that public officers and employees, state and local, are agents of the people and hold their positions for the benefit of the public. . . . promoting the public interest and maintaining the respect of the people in their government must be of foremost concern.”





Applies to:

- Space Florida Board Members
- Committee members
- Certain employees

The following is a brief summary of the Ethics Code. If you are in a situation where something may apply to you, please ask!





What to remember:

- Do not use your position with Space Florida to secure anything special for yourself, your family, friends, or anyone else.



Caution areas:

- **Doing business with Space Florida**
 - You or your family should not do business with Space Florida.
 - You or your family should not do business with a business or agency doing business with Space Florida. [Sec. 112.313(3), Fla. Stat.]
- **Secondary employment** – there cannot be any conflict with your Space Florida position. You cannot take a job with a company doing business with Space Florida. [Sec. 112.313(7), Fla. Stat.]
- **Using information** – Don't use information (now or in the future) which you learned from your Space Florida position to gain a special advantage for you or your family or anyone else. [Sec. 112.313(8), Fla. Stat.]

Caution areas:

- **Honoraria** – you cannot accept a payment to speak or write for an organization. Reasonable expenses can be paid. [Sec. 112.3149, Fla. Stat.]
- **Nepotism** – you cannot hire, promote, or advocate for your relatives to get a job with Space Florida. [Sec. 112.3135, Fla. Stat.]



General Rules About Voting:

- You must vote on all Space Florida issues.
- Unless you have “conflict of interest” or there appears to be a “possible conflict of interest”. [Sec. 286.012, Fla. Stat.]
- “Abstentions” are not allowed.



Voting Conflicts:

- Must disclose if, on *any* issue, the Board's vote would benefit...or hurt...
 - You
 - Your relative
 - Your business partner
 - Your employer
 - Your client/customer
 - The parent company, subsidiary company, or sister company of...
 - Your employer
 - Your client

Ethics

Voting conflict:

- **MUST** abstain:
 - conflict of interest
- **MAY** abstain:
 - appearance of a conflict of interest
- If you abstain for either reason, file Form 8A

FORM 8A MEMORANDUM OF VOTING CONFLICT FOR STATE OFFICERS	
LAST NAME—FIRST NAME—MIDDLE NAME	NAME OF BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE
MAILING ADDRESS	NAME OF STATE AGENCY
CITY COUNTY	MY POSITION IS: <input type="checkbox"/> ELECTIVE <input type="checkbox"/> APPOINTEE
DATE ON WHICH VOTE OCCURRED	

WHO MUST FILE FORM 8A

This form is for use by any person serving at the State level of government on an appointed or elected board, council, commission, authority, committee, or as a member of the Legislature. It applies to members of advisory and non-advisory bodies who are presented with a voting conflict of interest under Section 112.3143, Florida Statutes.

Your responsibilities under the law when faced with voting on a measure in which you have a conflict of interest will vary greatly depending on whether you hold an elective or appointive position. For this reason, please pay close attention to the instructions on this form before completing and filing the form.

INSTRUCTIONS FOR COMPLIANCE WITH SECTION 112.3143, FLORIDA STATUTES

ELECTED OFFICERS:

As a person holding elective state office, you may not vote on a matter that you know would inure to your special private gain or loss. However, you may vote on other matters, including measures that would inure to the special private gain or loss of a principal by whom you are retained (including the parent or subsidiary or sibling organization of a principal by which you are retained); to the special private gain or loss of a relative, or to the special private gain or loss of a business associate. If you vote on such a measure or if you abstain from voting on a measure that would affect you, you must make every reasonable effort to disclose the nature of your interest as a public record in a memorandum filed with the person responsible for recording the minutes of the meeting, who shall incorporate the memorandum in the minutes. If it is not possible for you to file a memorandum before the vote, the memorandum must be filed with the person responsible for recording the minutes of the meeting no later than 15 days after the vote.

For purposes of this law, a "relative" includes only your father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A "business associate" means any person or entity engaged in or carrying on a business enterprise with you as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

A member of the Legislature may satisfy the disclosure requirements of this section by filing a disclosure form created pursuant to the rules of the member's respective house if the member discloses the information required by this subsection, or by use of Form 8A.

* * * * *

APPOINTED OFFICERS:

As a person holding appointive state office, you are subject to the abstention and disclosure requirements stated above for Elected Officers. You also must disclose the nature of the conflict before voting or before making any attempt to influence the decision by oral or written communication, whether made by you or at your direction.

For purposes of this law, a "relative" includes only your father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A "business associate" means any person or entity engaged in or carrying on a business enterprise with you as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

IF YOU INTEND TO MAKE ANY ATTEMPT TO INFLUENCE THE DECISION PRIOR TO THE MEETING AT WHICH THE VOTE WILL BE TAKEN:

- You must complete and file this form (before making any attempt to influence the decision) with the person responsible for recording the minutes of the meeting, who will incorporate the form in the minutes.
- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION OR VOTE AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

CE Form 8A - Effective 11/2013
Adapted by reference in Rule 34-7.01(1)(e), F.A.C.

Page 1

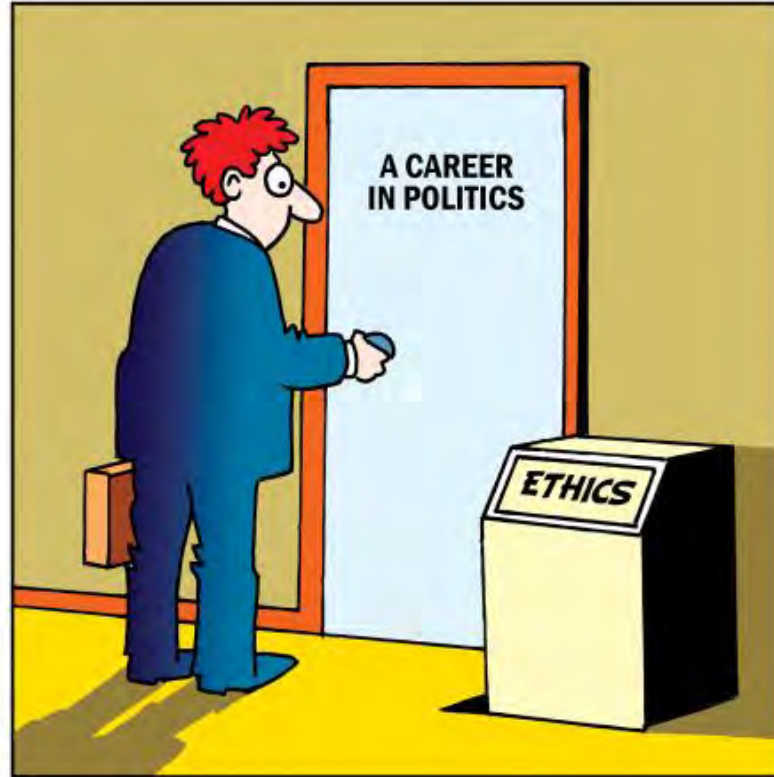
Penalties (*employees, officers, candidates*):

Impeachment, removal from office or employment, suspension, public censure, reprimand, demotion, reduction in salary level, forfeiture of one-third salary per month for twelve months, a civil penalty up to \$10,000, restitution of any pecuniary benefits received, and triple the value of a gift from a political committee.

Code of Ethics

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Questions?



GIFTS

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What is a gift?

- Money
- Real estate
- Use of real estate
- Tangible personal property
- Intangible personal property
- Use of personal property
- Food or beverages
- Membership dues
- Transportation
- Plants and flowers
- Admission tickets (sports, concerts, cruises, theme parks, etc.)
- Forgiveness of debt
- A preferential rate or price on
- A debt, loan, goods or services
- Any other thing having value
- Any other service having value

Caution areas:

- Taking gifts – taking anything of value for you or your family over \$100 can be an ethics violation. [Sec. 112.3148, Fla. Stat.]
- Asking for gifts – don't ask people working with or associated with Space Florida business for anything – lobbyist, vendor, customer, or anyone doing business with Space Florida. [Sec. 112.313(2), Fla. Stat.]

Disclosure of gifts by you:

- Any gift which is accepted AND worth over \$100
 - Exceptions:
 - Gifts from relatives
 - Prohibited gifts (*i.e.*, from lobbyists and vendors)



Gifts disclosed ... by lobbyists and vendors:

- All gifts to you worth over \$25.
- Disclosed quarterly ... by the lobbyist or vendor, not you.



FINANCIAL DISCLOSURE



What is disclosed and where?

- **Form 1:** Certain assets and liabilities, sources of income, and certain other information. *For new board members – must file within 30 days of the date of appointment.*
- **Form 1F:** no later than 60 days after leaving Space Florida's board.
- **Form 2:** all clients represented before a state agency by your firm or you for a fee during the previous calendar quarter.
- You should receive the form by mail.
- All filed with the Commission on Ethics.

Sec. 112.3144, Fla. Stat.

Penalties:

- Fail to file by July 1st: Delinquency notice.
- Fail to file, then, by September 1st: \$25-per-day fine.
- Max fine: \$1,500.

Note: The Commission on Ethics must send Form 1 to Board members no later than June 1st of each year.

Sec. 112.3144(8), Fla. Stat.

- **Available for advice:** ethics / gifts / financial disclosure
- **Phone:** 850.488.7864
- **Website:** www.ethics.state.fl.us



Florida Commission on Ethics

"A Public Office is a Public Trust"



GRAYROBINSON

Thank You! Questions?

Heather M. Ramos & Thomas J. Wilkes

August 28, 2023, Board Meeting Minutes



Draft - Minutes of a Regular Meeting of the Space Florida Board of Directors

A Regular Meeting of the Space Florida Board of Directors was held on August 28, 2023.

BOARD MEMBERS PRESENT:

Lieutenant Governor & Space Florida Chair, Jeanette Nuñez
Anthony Barbar
Rodney Cruise
Danny Gaekwad
Sonya Deen Hartley
Mori Hosseini
Belinda Keiser
Christopher Nocco
Scott Ross

SPACE FLORIDA SENIOR MANAGEMENT PRESENT:

Frank DiBello
Howard Haug
Ron Lau
Todd Romberger
Denise Swanson
Anna Farrar
Mike Miller

WELCOME & INTRODUCTIONS:

A quorum being present, Lieutenant Governor Jeanette Nuñez called the Meeting to order at 10:03 a.m. (EDT). Madam Chair welcomed Board members and thanked them for their time and participation.

PUBLIC COMMENTS:

There were no public comments.

BUSINESS BEFORE THE BOARD

1. APPROVAL OF MINUTES:

- *Rodney Cruise made a motion to approve the minutes of the April 27, 2023 Board Meeting, which include a copy of Board Member Satter's Commission on Ethics Form 8A, and the July 20, 2023 Board Meeting, which was seconded by Mori Hosseini and approved unanimously.*

2. COMMITTEE REPORTS:

There were no Governance and Compensation or Marketing Committee meetings this quarter.



Audit and Accountability Committee Report – Was presented by Belinda Keiser and included the August 23, 2023, Audit and Accountability meeting activities.

Ms. Keiser stated that overall, Management expects to come in under plan for the remainder of the year and meet our deliverables and recommended approval of the issuance of 2nd Quarter Interim Financial Statements for the six-month period ended March 31, 2023.

- *Anthony Barbar made a motion to approve the issuance of the March 31, 2023, financial statements which was seconded by Mori Hosseini and approved unanimously.*

Investment Committee Report – Was presented by Mori Hosseini and included the August 21, 2023, Investment Committee Meeting Report.

Mr. Hosseini stated that the committee reviewed the Investment Assessments made by the Chief Investment Office (CIO) which included vetting by the committee of Project and Contract Activities that require board action and recommended the following for approval:

Project Upgrade I – deemed “Suitable” by the CIO for potential application of Space Florida’s capabilities. Management requested approval for ratification of a revision to the Construction Manager as Constructor Services Contract with Barr and Barr, Inc., and Company, as necessary, to authorize Space Florida to increase the contract value in the amount of up to Eight Million Dollars (\$8,000,000) to be funded directly by the Company. This request is a result of increased costs due to supply chain challenges and scope change requests.

- *Belinda Keiser made a motion to ratify a revision to the Constructor Services Contract with Barr and Barr, Inc., as necessary, to authorize Space Florida to increase the contract value in the amount of up to Eight Million Dollars (\$8,000,000) to be funded directly by the Company, which was seconded by Rodney Cruise and approved unanimously.*

Project Upgrade II – deemed “Suitable” by the CIO for potential application of Space Florida’s capabilities. Management requested approval for authority to negotiate and enter agreements with First American Equipment Finance, an RBC/City National Company, and the Company for Project Upgrade II to support the Company’s expansion activities associated with equipping a new training center. Requested approvals include Resolution No.: 23-45, a copy of which is attached, regarding an amount not to exceed Twelve Million Four Hundred Thousand Dollars (\$12,400,000) in equipment financing, with an interest rate not to exceed twelve percent (12%) per year and maturity dates for individual items not to exceed five (5) years from the date of borrowing for an item of equipment.



- *Danny Gaekwad made a motion to authorize Space Florida to complete negotiations and enter agreements with the Company and First American Equipment Finance and approve Resolution 23-45 authorizing the Not-to-Exceed amount of Twelve Million Four Hundred Thousand Dollar (\$12,400,000) for equipment lease-leaseback financing, which was seconded by Mori Hosseini and approved unanimously.*

Carahsoft Technology Corporation - Management requested approval for authority to negotiate and enter agreement with Carahsoft Technology Corporation in partnership with Deloitte, regarding the request for proposal award for “Commercial Space Industry Trends and the Evolution of Florida’s Spaceport System (RFP-SF-02-0-2023)”, in the amount of up to Seven Hundred Fifty Thousand Dollars (\$750,000). Funding will be provided through previously approved FDOT Planning Funds.

- *Anthony Barbar made a motion to authorize Space Florida to complete negotiations and enter agreements with Carahsoft Technology Corporation in partnership with Deloitte in the amount of up to Seven Hundred Fifty Thousand Dollars (\$750,000), which was seconded by Belinda Keiser and approved unanimously.*

3. EXECUTIVE BRIEFINGS:

Frank DiBello presented the President’s Report which included a review of recent activities as well as Business Unit Reports. Mr. DiBello identified upcoming events and provided closing comments.

4. OTHER BUSINESS BEFORE THE BOARD:

Madam Chair reviewed the process and timeline that has taken place in the search for a new President and CEO of Space Florida. The next phase in the process in the search is to select one final candidate to move into contract negotiations. Once a selection has been made The Board will simply make an offer to the candidate and begin the process of contract negotiations.

Madam Chair offered her thoughts stating that she believed that Colonel Robert Long was a candidate that differentiated himself from the other candidates. He spoke enthusiastically about his past experiences, his passion for the aerospace sector, and clearly laid out a compelling long-term vision for how he will further improve Space Florida’s posture and Florida’s footprint in the space industry. Several other Board members provided their comments on their personal selection which all were for that of Colonel Robert Long at which time the Chair asked to take up a motion to simply authorize and allow the Board to make Colonel Robert Long an offer.

- *Mori Hosseini made a motion to authorize an offer to Colonel Robert Long, which was seconded by Anthony Barbar and approved unanimously.*



Madam Chair directed Board Member Rodney Cruise, as Chair of the Governance and Compensation Committee, to lead the final contract and salary negotiation efforts with Colonel Robert Long on behalf of the Space Florida Board of Directors.

CLOSING REMARKS & ADJOURNMENT

Lieutenant Governor Jeanette Nunez requested any further questions or comments from the public or Board Members. There being none, the Chair thanked the Board for the discussion and involvement and adjourned the meeting at 11:43 a.m. (EDT)

Lieutenant Governor Jeanette Nuñez,
Chair



BOARD OF DIRECTORS MEETING

August 28, 2023

I, Denise Swanson, the undersigned EVP, CFO & Corporate Administration Officer of Space Florida, do certify and declare that the attached is an accurate copy of the Minutes as approved by the Board of Directors of Space Florida in accordance with the Space Florida Governance Policies, and recorded in the Minutes of the Meeting of the Board of Directors held on August 28, 2023, and not subsequently amended or modified.

Denise Swanson
EVP, CFO & Corporate Administration
Officer

September 19, 2023, Board Meeting Minutes



Draft - Minutes of a Space Florida Special Project Board of Directors Meeting

A special project meeting of the Space Florida Board of Directors was held on September 19, 2023, via Teleconference.

BOARD MEMBERS PRESENT:

Lieutenant Governor & Space Florida Chair, Jeanette Nuñez
Anthony Barbar
Rodney Cruise
Danny Gaekwad
Mori Hosseini
Belinda Keiser
Christopher Nocco
Scott Ross
Jonathan Satter

SPACE FLORIDA SENIOR MANAGEMENT PRESENT:

Ron Lau
Todd Romberger
Denise Swanson
Anna Farrar

WELCOME & INTRODUCTIONS:

A quorum being present, Lieutenant Governor Jeanette Nuñez, called the Meeting to order at 10:01 a.m. (EDT), and welcomed Board members.

PUBLIC COMMENTS:

There were no public comments.

BUSINESS BEFORE THE BOARD

Lieutenant Governor Jeanette Nuñez stated the purpose of today's meeting was to provide an update regarding the candidacy for the new President and Chief Executive Officer (CEO) for Space Florida. After a thorough process and several interviews of exceptional candidates, the Board identified Colonel Robert Long as the top choice and the candidate whose qualifications would bring a new wave of success to the organization.

Madam Chair Nuñez asked Board Member Cruise to provide a brief update to the Board regarding the contract and negotiation phase of the selection process. Mr. Cruise stated that the negotiations had gone well and that Colonel Long accepted a salary of \$350,000, and that the contract was awaiting signatures. Madam Chair opened the floor for any questions or comments. There being none a motion was requested to approve the Resolution of the Space Florida Board of Directors pertaining to Appointment of President, Colonel Robert A. Long, as outlined in the terms of the Employment Agreement attached to the Resolution included in the advanced board package.

Mori Hosseini made a motion to approve the Resolution pertaining to the "Appointment of President", for Robert A. Long to serve and act as the President and CEO of Space Florida, as outlined in the terms of the negotiated contract, which was seconded by Belinda Keiser and passed unanimously.



Madam Chair Nuñez thanked the selection committee, and everyone involved in the process of the search for Space Florida's new President and CEO, especially the Board of Directors and Space Florida staff. She also personally thanked Frank DiBello for his unwavering dedication and service to Space Florida for so many years and stated that she was excited to work closely with Colonel Long in the start of a new era for Space Florida.

CLOSING REMARKS & ADJOURNMENT

Lieutenant Governor Jeanette Nunez requested any further questions or comments from the public or Board Members. There being none, the Chair thanked the Board for attending and adjourned the meeting at 10:09 a.m. (EDT)

Lieutenant Governor Jeanette Nuñez, Chair



BOARD OF DIRECTORS TELECONFERENCE

September 19, 2023

I, Denise Swanson, the undersigned EVP, CFO & Corporate Administration Officer of Space Florida, do certify and declare that the attached is an accurate copy of the Minutes as approved by the Board of Directors of Space Florida in accordance with the Space Florida Governance Policies, and recorded in the Minutes of the Meeting of the Board of Directors held on September 19, 2023, and not subsequently amended or modified.

Denise Swanson
EVP, CFO & Corporate Administration
Officer

September 29, 2023, Board Meeting Minutes



Draft - Minutes of a Space Florida Special Project Board of Directors Meeting

A special meeting of the Space Florida Board of Directors was held on September 29, 2023, via Teleconference.

BOARD MEMBERS PRESENT:

Lieutenant Governor & Space Florida Chair, Jeanette Nuñez
Anthony Barbar
Rodney Cruise
Mori Hosseini
Belinda Keiser
Christopher Nocco
Jonathan Satter

SPACE FLORIDA SENIOR MANAGEMENT PRESENT:

Frank DiBello
Howard Haug
Denise Swanson
Ron Lau
Todd Romberger
Anna Farrar

WELCOME & INTRODUCTIONS:

A quorum being present, Lieutenant Governor Jeanette Nuñez, called the Meeting to order at 10:57 a.m. (EDT), and welcomed Board members.

PUBLIC COMMENTS:

There were no public comments.

BUSINESS BEFORE THE BOARD

Madam Chair Nuñez stated the purpose of today's meeting is to provide the Audit and Accountability Committee Meeting Report from Monday, September 25, 2023.

Belinda Keiser reviewed the results of the Financial Audit Solicitation for the Fiscal Year ending September 30, 2023. Combined Scores and Rankings:

Carr, Riggs & Ingram ranked #1 with a score of 394
James Moore & Company, P.I. ranked #2 with a score of 391
Cherry Bekaert LLC ranked #3 with a score of 381
Mauldin & Jenkins, LLC ranked #4 with a score of 360

Mrs. Keiser stated that the committee recommends the board approve the results of the Financial Audit Solicitation and authorize Space Florida management to conduct contract negotiations with Carr, Riggs and Ingram the top ranked firm. If negotiations are not successful, the process may be repeated by Space Florida management with the second and third-ranked audit firms.

Rodney Cruise made a motion to approve the results of the Financial Audit Solicitation for the Fiscal Year ending September 30, 2023, authorize Space Florida management to conduct



contract negotiations with Carr, Riggs & Ingram, the most highly qualified and top ranked firm. If negotiations are not successful, the process may be repeated by Space Florida management with the second and third-ranked audit firms. The motion was seconded by Jonathan Satter and passed unanimously.

Madam Chair Nuñez provided a recap of strategic projects and initiatives achieved during the past few years and stated that due to legislative changes that go into effect on October 1, 2023, this would be the final meeting of the current Space Florida Board of Directors. On behalf of Governor DeSantis, Madam Chair Nuñez thanked the Directors and Retiring President DiBello for their service and dedication over the years.

CLOSING REMARKS & ADJOURNMENT

Madam Chair Nunez requested any further questions or comments from the public or Board Members. There being none, the Chair thanked the Board for attending and adjourned the meeting at 11:06 a.m. (EDT)

Lieutenant Governor Jeanette Nuñez, Chair



BOARD OF DIRECTORS TELECONFERENCE

September 29, 2023

I, Denise Swanson, the undersigned EVP, CFO & Corporate Administration Officer of Space Florida, do certify and declare that the attached is an accurate copy of the Minutes as approved by the Board of Directors of Space Florida in accordance with the Space Florida Governance Policies, and recorded in the Minutes of the Meeting of the Board of Directors held on September 29, 2023, and not subsequently amended or modified.

Denise Swanson
EVP, CFO & Corporate Administration
Officer

June 30, 2023, Interim Financials

SPACE FLORIDA



Total Compiled Statement of Revenues and Expenses
Period Ending June 30, 2023
Unaudited
In 000's

	Total Budget	Q1 Actual	Q2 Actual	Q3 Actual	Forecast	Total Actual and Forecast	Budget Remaining
Operating Revenues							
State Appropriated Revenue - OPS	\$ 11,500	\$ 2,875	\$ 2,875	\$ 2,875	\$ 2,875	\$ 11,500	\$ (0)
Other Revenue	\$ 3,877	\$ 589	\$ 1,503	\$ 905	\$ 795	\$ 3,791	\$ 85
Total Operating Revenues	\$ 15,377	\$ 3,464	\$ 4,378	\$ 3,780	\$ 3,670	\$ 15,291	\$ 85
Operating Expenses							
Salaries & Other Related Costs	\$ 8,963	\$ 887	\$ 1,153	\$ 1,101	\$ 1,282	\$ 4,423	\$ 4,541
Contract & Subcontract Services	\$ 806	\$ 235	\$ 93	\$ 244	\$ 149	\$ 721	\$ 85
Utilities & Maintenance	\$ 3,780	\$ 945	\$ 498	\$ 1,520	\$ 1,736	\$ 4,699	\$ (919)
Travel & Entertainment	\$ 221	\$ 24	\$ 77	\$ 97	\$ 62	\$ 260	\$ (39)
Business Recruitment & Investment	\$ 260	\$ 26	\$ 58	\$ 5	\$ 105	\$ 194	\$ 66
General & Administrative	\$ 1,347	\$ 569	\$ 384	\$ 296	\$ 249	\$ 1,498	\$ (152)
Total Operating Expenses (Excluding Depreciation)	\$ 15,377	\$ 2,686	\$ 2,263	\$ 3,262	\$ 3,584	\$ 11,795	\$ 3,582
Change in Net Assets Due to Operations	\$ -	\$ 778	\$ 2,115	\$ 517	\$ 87	\$ 3,497	\$ (3,497)

Fiscal Year 2024 Budget



Total Compiled Statement of Revenues and Expenses
Period Ending September 30, 2024
Unaudited
In 000's

	FY24 Total Budget
Operating Revenues	
State Appropriated Revenue - OPS	\$ 11,500
Other Revenue	\$ 3,896
Total Operating Revenues	\$ 15,396
Operating Expenses	
Salaries & Other Related Costs	\$ 6,048
Contract & Subcontract Services	\$ 1,180
Utilities & Maintenance	\$ 4,524
Travel & Entertainment	\$ 330
Business Recruitment & Investment	\$ 600
General & Administrative	\$ 2,714
Total Operating Expenses (Excluding Depreciation)	\$ 15,396
Change in Net Assets Due to Operations	\$ (0)

SPACE FLORIDA



Fiscal Year 2023 and 2024 Budget Comparison

Unaudited

In 000's

	FY23 Budget Total	FY23 Total Actuals & Commitments	FY23 Budget to Actual Variance	FY24 Budget Total	FY23 to FY24 Budget Variance
Operating Revenues					
State Appropriated Revenue - OPS	\$ 11,500	\$ 11,500	\$ (0)	\$ 11,500	\$ -
Other Revenue	\$ 3,877	\$ 3,791	\$ 85	\$ 3,896	\$ (20)
Total Operating Revenues	\$ 15,377	\$ 15,291	\$ 85	\$ 15,396	\$ (20)
Operating Expenses					
Salaries & Other Related Costs	\$ 8,963	\$ 4,423	\$ 4,541	\$ 6,048	\$ 2,915
Contract & Subcontract Services	\$ 806	\$ 721	\$ 85	\$ 1,180	\$ (374)
Utilities & Maintenance	\$ 3,780	\$ 4,699	\$ (919)	\$ 4,524	\$ (744)
Travel & Entertainment	\$ 221	\$ 260	\$ (39)	\$ 330	\$ (110)
Business Recruitment & Investment	\$ 260	\$ 194	\$ 66	\$ 600	\$ (340)
General & Administrative	\$ 1,347	\$ 1,498	\$ (152)	\$ 2,714	\$ (1,367)
Total Operating Expenses (Excluding Depreciation)	\$ 15,377	\$ 11,795	\$ 3,582	\$ 15,396	\$ (20)
Change in Net Assets Due to Operations	\$ -	\$ 3,497	\$ (3,497)	\$ -	\$ -

Space Florida
Fiscal Year 2024 Budget Compared
to Fiscal Year 2023 Budget
Budget Narrative

Revenue:

State Appropriated Revenue for Fiscal Year 2024 for Operations will remain the same as compared to Fiscal Year 2023 Budget. Other revenue, which is comprised of Space Florida assisted financing projects and lease revenues, is expected to increase for Fiscal Year 2024 by \$20 thousand as compared to Fiscal Year 2023. This increase is primarily due to an increase in interest income and facility revenue.

Expenses:

Salary & Other Related Costs for Fiscal Year 2024 is expected to decrease by \$2,915 thousand as compared to Fiscal Year 2023 Budget. The decrease is primarily due to the allocation of the Business Development & Spaceports Operations departments to the Financing Funding Appropriations line item.

Contract & Subcontract Services for Fiscal Year 2024 is anticipated to increase by \$374 thousand as compared to Fiscal Year 2023 Budget. The increase is primarily due to an increase in consulting service expenses. Contract & Subcontract Services consist of legal, business development services & project support, facility services, and general operating services.

Utilities & Maintenance for Fiscal Year 2024 is expected to increase by approximately \$744 thousand as compared to Fiscal Year 2023 Budget. The increase is primarily due to an increase in utility expenses and repair and maintenance costs.

Travel & Entertainment for Fiscal Year 2024 is anticipated to increase by \$110 thousand as compared to Fiscal Year 2023 Budget. The increase is primarily due to hiring in Business Development and External Affairs departments.

Business Recruitment & Investments for Fiscal Year 2024 is anticipated to increase by \$340 thousand as compared to Fiscal Year 2023 Budget. The increase is primarily due to an increase in promotional and advertising related expenses for content branding and marketing and PR campaigns. Expenses included in this category include business recruitment and investment activities, promotional, advertising, sponsorships, and project expenses.

General & Administrative for Fiscal Year 2024 is anticipated to increase by \$1,367 thousand as compared to Fiscal Year 2023 Budget. The increase is primarily due to an increase in capital purchases & improvements, software, and insurance costs. Expenses included in this category are loan service expenses, rentals & leases, insurance, capital purchases/improvements, and other general operating expenses.



Fiscal Year 2024 Budget Detail
October 1, 2023 to September 30, 2024
In 000's

	FY23 Budget Total	FY23 Total Actuals & Commitments	FY23 Budget to Actual Variance	FY24 Budget Total	FY23 to FY24 Budget Variance
Operating Revenues					
State Appropriated Revenue	\$ 11,500	\$ 11,500	\$ -	\$ 11,500	\$ -
Facility Revenue					
SLSL	\$ 1,694	\$ 1,749	\$ (55)	\$ 1,636	\$ 58
RLV Hangar	\$ -	\$ -	\$ -	\$ -	\$ -
South Campus	\$ 51	\$ 35	\$ 15	\$ 26	\$ 25
Area 57	\$ 467	\$ 276	\$ 191	\$ 256	\$ 212
AOS	\$ 522	\$ 566	\$ (44)	\$ 522	\$ -
LC20	\$ 100	\$ 281	\$ (181)	\$ 500	\$ (400)
	\$ 2,835	\$ 2,908	\$ (73)	\$ 2,940	\$ (105)
Financing Revenue					
Orion Admin Fee	\$ 300	\$ 300	\$ -	\$ 300	\$ -
Other Admin Fee	\$ 525	\$ 95	\$ 430	\$ 95	\$ 430
Interest/Dividend Income	\$ 100	\$ 401	\$ (301)	\$ 480	\$ (380)
OPF3 Admin Fee	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 925	\$ 796	\$ 129	\$ 875	\$ 50
Other Revenues					
Franchise Fees	\$ 117	\$ 81	\$ 36	\$ 82	\$ 36
Other SF Services	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenues	\$ -	\$ 6	\$ (6)	\$ -	\$ -
	\$ 117	\$ 87	\$ 30	\$ 82	\$ 36
Total	\$ 15,377	\$ 15,291	\$ 85	\$ 15,396	\$ (20)

SPACE FLORIDA



Fiscal Year 2024 Budget Detail October 1, 2023 to September 30, 2024 In 000's

	FY23 Budget Total	FY23 Total Actuals & Commitments	FY23 Budget to Actual Variance	FY24 Budget Total	FY23 to FY24 Budget Variance
Salary & Other Related Costs					
Salary & Wages	\$ 6,629	\$ 3,263	\$ 3,366	\$ 4,442	\$ 2,187
Payroll Taxes	\$ 95	\$ 47	\$ 49	\$ 64	\$ 31
Retirement	\$ 1,020	\$ 505	\$ 516	\$ 666	\$ 354
Life & Health Insurance	\$ 994	\$ 449	\$ 545	\$ 672	\$ 322
Other	\$ 225	\$ 160	\$ 65	\$ 204	\$ 21
	\$ 8,963	\$ 4,423	\$ 4,541	\$ 6,048	\$ 2,915
Contract & Subcontract Services					
Legal	\$ 255	\$ 160	\$ 95	\$ 283	\$ (28)
Business Development Services & Project Support	\$ -	\$ -	\$ -	\$ -	\$ -
Facility Services	\$ 90	\$ 43	\$ 47	\$ 85	\$ 5
General Operations Services	\$ 461	\$ 518	\$ (57)	\$ 812	\$ (350)
	\$ 806	\$ 721	\$ 85	\$ 1,180	\$ (374)
Utilities & Maintenance					
Utilities					
SLSL	\$ 951	\$ 755	\$ 196	\$ 1,204	\$ (253)
Other	\$ 120	\$ 345	\$ (225)	\$ 191	\$ (70)
Repair & Maintenance					
SLSL	\$ 2,664	\$ 2,301	\$ 363	\$ 2,797	\$ (133)
Other	\$ 45	\$ 1,298	\$ (1,253)	\$ 333	\$ (289)
	\$ 3,780	\$ 4,699	\$ (919)	\$ 4,524	\$ (744)
Travel & Entertainment					
Travel & Entertainment	\$ 221	\$ 260	\$ (39)	\$ 330	\$ (110)
	\$ 221	\$ 260	\$ (39)	\$ 330	\$ (110)
Business Recruitment & Investment					
Promotional & Project Expenses	\$ 105	\$ 23	\$ 82	\$ 418	\$ (313)
Sponsorships/Other Grants & Aid	\$ 155	\$ 171	\$ (16)	\$ 181	\$ (26)
	\$ 260	\$ 194	\$ 66	\$ 600	\$ (340)
General & Administrative					
Rental & Leases	\$ 479	\$ 453	\$ 26	\$ 480	\$ (1)
Insurance	\$ 255	\$ 279	\$ (24)	\$ 556	\$ (301)
Other General Operating Expenses	\$ 411	\$ 699	\$ (288)	\$ 522	\$ (111)
Capital Purchases/Improvements	\$ 133	\$ 67	\$ 66	\$ 1,156	\$ (1,023)
Loan Service	\$ 68	\$ -	\$ 68	\$ -	\$ 68
	\$ 1,347	\$ 1,498	\$ (152)	\$ 2,714	\$ (1,367)
Total	\$ 15,377	\$ 11,795	\$ 3,582	\$ 15,396	\$ (20)

Financial Statements September 30, 2022 & Required Communications

SPACE FLORIDA



**(A Component Unit Of
The State Of Florida)**

FINANCIAL STATEMENTS

For the Year Ended September 30, 2022

Space Florida
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For the year ended September 30, 2022



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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Space Florida
Exploration Park, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Space Florida, a component unit of the State of Florida, as of and for the year ended September 30, 2022 and the related notes to the financial statements which collectively comprise the entity's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Space Florida as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Space Florida and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described in Note 8 to the financial statements, in fiscal year 2022, Space Florida adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Space Florida's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Space Florida's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Space Florida's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Space Florida's basic financial statements. The accompanying schedule of expenditures of state financial assistance, as required by Chapter 10.550, Rules of the Florida Auditor General is presented for purposes of additional analysis 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 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 state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the schedule of travel, business meals and incidental expenses but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2023, on our consideration of Space Florida'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 solely 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 the effectiveness of Space Florida's 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 Space Florida's internal control over financial reporting and compliance.

Carr, Rigg & Ingram, L.L.C.

Melbourne, Florida

August 30, 2023

Space Florida Management's Discussion and Analysis

As management of Space Florida, we offer readers of Space Florida's financial statements this narrative overview and analysis of the financial activities of Space Florida for the years ended September 30, 2022 and 2021.

Effective September 1, 2006, Pursuant to Chapter 2006-60, Laws of Florida, a law enacted by the Florida Legislature during its 2006 Regular Session, Space Florida was created as an independent special district and subdivision of the State. Space Florida serves as the State's principal government space entity, responsible for space related infrastructure development, industry recruitment and education/research in partnership with federal agencies and private industry; for providing leadership for development of space transportation infrastructure; and for implementation of space commercialization and development programs.

Space Florida utilizes various funding sources to operate programs that retain, attract and expand new business to Florida, and to promote Florida as the world's premier space business destination. Space Florida is responsible for accelerating the growth of space related industry within Florida's economic goals through targeted space business retention, expansion, and diversification efforts in addition to providing leadership in innovative educational, research and development and workforce development programs and space related infrastructure development projects. A key competitive advantage for Florida in the market is the multiple year relationships it creates with entities that choose Florida for their base of growth.

As a result of the dynamic nature of Florida's space industry, Space Florida has developed a strategic plan that targets a number of diversified commercial market segments for integration of space technology that has not been previously pursued with a focused state effort (i.e. life sciences/pharmaceuticals, agriculture/climate monitoring, cyber security and robotics, clean energy, adventure tourism, civil protection and crisis management). These markets receive direct benefit through utilization of the current space program, or have shown great interest in the potential for benefitting from opportunities in next-generation space initiatives and utilization of microgravity environments. Space Florida has already gained significant interest from major players in these markets, and will continue to increase its efforts to attract and secure these businesses. It will do this, in part, by utilizing its operational budget to focus staff efforts on business development opportunities in these emerging sectors.

Financial Highlights

- The assets of Space Florida exceeded its liabilities for the years ended September 30, 2022 and 2021 by \$135,770,647 (as restated) and \$141,431,002 (net position), respectively. For the year ended September 20, 2022, changes in this section were primarily related to adjustments as a result of the implementation of GASB No. 87, *Leases*.
- Space Florida's total net position decreased by \$5,660,355 and \$7,070,987 for the years ended September 30, 2022 and 2021, respectively.
- Space Florida's state appropriated revenue for operations for the years ended September 30, 2022 and 2021 was \$18,945,813 and \$18,328,190 respectively.

Space Florida Management's Discussion and Analysis

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Space Florida's basic financial statements. Space Florida's basic financial statements are comprised of two components: financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The basic financial statements report information using the full accrual accounting methods as utilized by similar business activities in the public sector. The financial statements include a Statement of Net position, a Statement of Revenues, Expenses and Changes in Net Position and a Statement of Cash Flows.

The Statement of Net Position presents information on all of Space Florida's assets and liabilities, with the difference between the two reported as net position. Over time, changes in net position may serve as an indicator of the financial status of Space Florida.

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how Space Florida's net position changed for the years ended September 30, 2022 and 2021. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The Statement of Cash Flows presents changes in cash and cash equivalents from operational, financing and investing activities. This statement presents cash receipt and disbursement information without consideration of the earnings event, when an obligation arises or depreciation of capital assets.

The basic financial statements can be found on pages 16-20 of this report.

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements and thus are an integral part of these financial statements. The notes to the financial statements can be found on pages 21-38 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents other supplementary information. This supplementary information can be found on page 41 of this report.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of an entity's financial status. Assets exceeded liabilities as of September 30, 2022 and 2021 by \$135,770,647 and \$141,431,002, respectively. The net position balance decreased by \$5,660,355 and \$7,070,987 for the years ended September 30, 2022 and 2021, respectively.

Space Florida Management's Discussion and Analysis

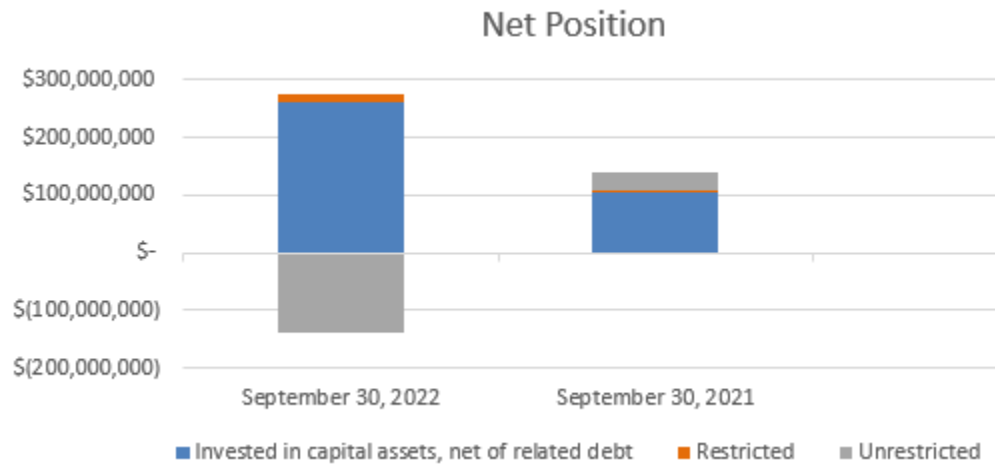
The following table reflects the condensed Statement of Net Position.

Space Florida Net Position

	9/30/2022	9/30/2021*
Cash	\$ 37,814,895	\$ 28,972,213
Receivables	29,122,586	24,640,085
Investments	4,329,800	2,199,660
Lease receivables	18,662,128	19,806,741
Other current assets	1,177,900	1,026,882
Capital assets	296,024,676	309,282,530
Other assets	1,303,486	3,308,217
Total assets	388,435,471	389,236,328
Accounts payable	26,851,516	20,033,032
Payable from restricted assets	5,986,765	1,084,357
Notes payable	1,380,488	4,435,050
Lease liabilities	33,397,213	32,292,765
Financed purchase payable	63,899	123,555
Other liabilities	1,442,580	1,081,049
Total liabilities	69,122,461	59,049,808
Deferred inflows related to leases	183,542,363	188,755,518
Net position:		
Invested in capital assets, net		
of related debt	261,183,076	103,482,382
Restricted	14,667,033	5,720,572
Unrestricted	(140,079,462)	32,228,048
Total net position	\$ 135,770,647	\$ 141,431,002

The largest portion of Space Florida's net position as of September 30, 2022 (192 percent) and as of September 30, 2021 (73 percent) reflects its investment in capital assets (e.g., buildings, equipment and construction in progress), less any related outstanding debt used to acquire those assets. As of September 30, 2022, Space Florida was able to report positive balances in two categories of net position. The negative balance in unrestricted is the result of implementation of GASB No. 87, Leases. Prepaid expenses related to donated assets accounted for under previous guidance were removed with the implementation of GASB No. 87. The deficit net position will be recovered as Space Florida recognizes the revenue currently in deferred inflows. As of September 30, 2021, Space Florida was able to report positive balances in all three categories of net position.

Space Florida Management's Discussion and Analysis



The following table shows condensed revenue and expense data.

Space Florida Changes in Net Position

	For the year ended September 30, 2022	For the year ended September 30, 2021
Operating revenues:		
Fees and charges for services	\$ 12,930,402	\$ 11,041,910
State appropriated funding	18,945,813	18,328,190
Grant revenue- operating	38,962,209	26,440,916
Total operating revenue	70,838,424	55,811,016
Non-operating revenues:		
Other	540,468	631,517
Total non-operating revenues	540,468	631,517
Total revenues	71,378,892	56,442,533
Operating expenses:		
Business development activities	49,937,808	35,271,886
General, administrative, and depreciation	26,059,272	24,637,491
Total operating expenses	75,997,080	59,909,377
Non-operating expenses		
Total non-operating expenses	1,042,167	1,492,163
Total expenses	77,039,247	61,401,540
Change in net position	(5,660,355)	(4,959,007)
Net position – beginning	143,542,982	148,501,989
Prior period adjustment	(2,111,980)	-
Net position – ending	\$ 135,770,647	\$ 143,542,982

Space Florida Management's Discussion and Analysis

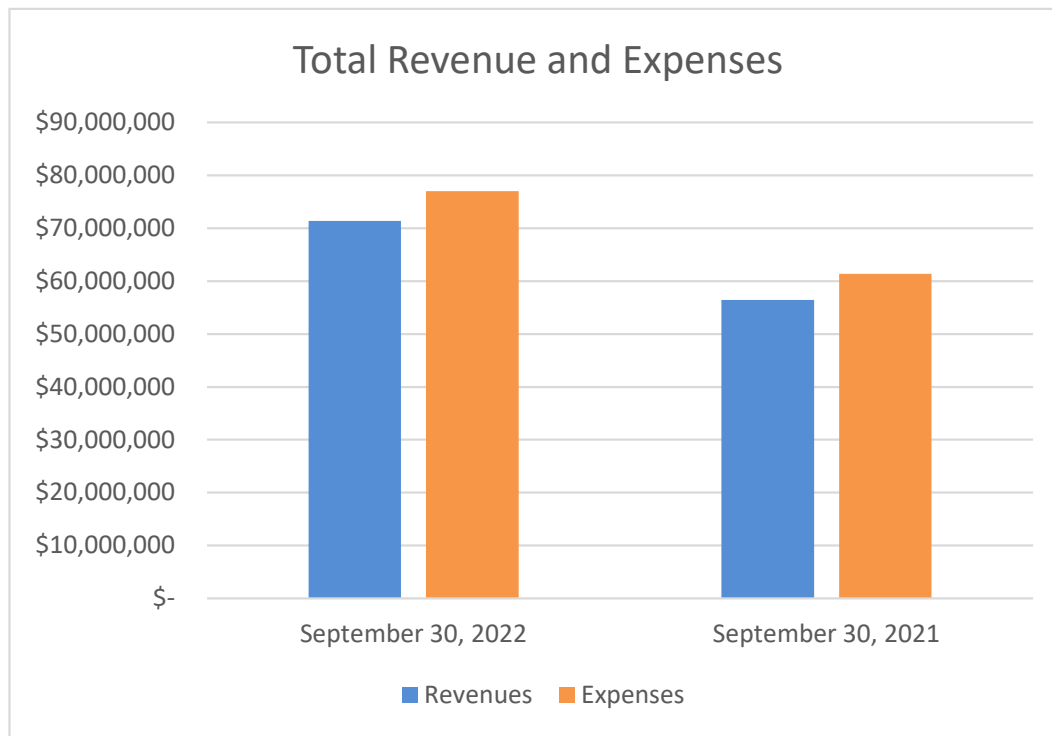
Contributing to the Changes in Net Position. For the year ended September 30, 2022, the decrease in net position consisted of a \$5,158,656 net decrease from operating activity with a \$501,699 net decrease from non-operating activity that included \$540,468 in interest income, \$784,434 in interest expense, \$7,873 loss on the disposal of capital assets and \$249,860 in impairment loss. For the year ended September 30, 2021, the decrease in net position consisted of a \$4,098,361 net decrease from operating activity with a \$860,646 net decrease from non-operating activity that included \$338,585 in interest income, \$294,537 from gain on investment, \$1,605 from loss on the disposal of capital assets, \$223,143 in interest expense and \$1,269,020 in impairment loss. The above balances as of September 30, 2021, do not reflect restated net position due to GASB No. 87.

Operating revenues totaled \$70,838,424 and \$55,811,016 for the years ended September 30, 2022 and 2021, respectively. Of this amount, 27 percent and 33 percent, respectively, were from State appropriated funding. Grant revenue - operating was provided by spaceport infrastructure development grants from State appropriations with the remaining being generated from fees and charges for services. In addition, Space Florida reported non-operating revenues of \$540,468 and \$631,517 for the years ended September 30, 2022 and 2021, respectively. State grant revenue - capital was provided by the spaceport infrastructure development grants from State appropriations.

Operating expenses were \$75,997,080 and \$59,909,377 for the years ended September 30, 2022, and 2021, respectively. Of those totals, 15 percent and 19 percent, respectively, were related to general operations, which consist of support for the execution of Space Florida's responsibilities as a state-created entity, facilities management and policy-related responsibilities. In addition and related to ownership and management of the operation and its facilities, depreciation and amortization totaled \$14,911,585 for the year ended September 30, 2022 and depreciation totaled \$13,453,429 for the year ended September 30, 2021. Amortization in 2022 was related to new GASB No. 87 lease standards.

As directed by statute, Space Florida is also responsible for fostering the growth and development of a sustainable and world-leading aerospace industry in the State and thus is responsible for accelerating the growth and diversification of aerospace-related economic development throughout the State. Space Florida is partnering with other State entities to accomplish these directives. For the years ended September 30, 2022 and 2021, Space Florida expended 66 percent and 59 percent, respectively, of its operating expenditures to create and direct activities and programs that retain, attract and help expand aerospace businesses in Florida.

Space Florida Management's Discussion and Analysis



Capital Asset and Debt Administration

Capital assets. Space Florida's investment in capital assets as of September 30, 2022 and 2021, amounted to \$261,183,076 and \$103,482,382 (net of accumulated depreciation and debt), respectively. This investment in capital assets includes buildings, improvements, construction in progress and equipment. The balance in construction in progress as of September 30, 2022 and 2021 consisted primarily of building design drawings for a facility at Pensacola Technology Park.

Space Florida Capital Assets (net of depreciation)

	9/30/2022	9/30/2021*
Buildings and improvements	\$ 249,073,208	\$ 261,534,934
Furniture, fixtures, vehicles, and equipment	13,609,313	14,771,438
Construction in progress	715,281	683,392
Total	\$ 263,397,802	\$ 276,989,764

**As restated for implementation of GASB Statement No. 87*

Additional information on Space Florida capital assets can be found in Note 5 on page 30 of this report.

Space Florida Management's Discussion and Analysis

Rights and Access. Space Florida has agreements with the Cape Canaveral Air Force Station Center for the right to use Space Launch Complex 46 for the development of multi-use vertical launch capabilities related to governmental, educational and commercial initiatives. Space Florida has an enhanced use lease agreement with NASA'S John F. Kennedy Space Center for 199 acres to develop a mixed-use multi-tenant technology and commerce park referred to as "Exploration Park" and a 30-year master property agreement for the Shuttle Landing Facility. Additional information can be found in Note 8 on pages 32-36 of this report.

Long-term debt. Space Florida entered into a loan agreement with a bank in the amount of \$17,500,000 in fiscal year 2014. The note was scheduled to mature on January 30, 2015, however, the note was converted on January 30, 2015, to a 3-year repayment term, amortized over a 20-year term. The interest rate is equal to the Note Rate that was in effect on the date immediately preceding the Conversion Date. Subsequent amendments were executed extending the maturity date with the same terms. In fiscal year 2019, Space Florida renegotiated the terms of the loan with a new maturity date of July 1, 2027, and an interest rate of 3.021% per annum. Payments of principal and interest are due quarterly beginning on October 1, 2020.

During fiscal year 2022, Space Florida provided for additional principal payments on the note. The outstanding principal balance as of September 30, 2022 was \$1,380,488. Payment of principal and interest is to be paid by pledged future appropriations from the State through the State Economic Enhancement and Development Fund. Annual principal and interest payments on the note payable are expected to require approximately 11% of appropriations for the year ending September 30, 2022. Space Florida expects this note to be satisfied by March 2024, before it reaches maturity.

Space Florida Total Outstanding Debt

	9/30/2022	9/30/2021
Notes payable	\$ 1,380,488	\$ 4,435,050

Requests for Information

This financial report is designed to provide a general overview of Space Florida's finances for all those with an interest in Space Florida's financial operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Space Florida, 505 Odyssey Way, Suite 300, Exploration Park, FL 32953.

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BASIC FINANCIAL STATEMENTS

Space Florida
Statement of Net Position

September 30, **2022**

ASSETS

Current assets

Cash:

Unrestricted \$ 18,076,874

Restricted 19,738,021

Accounts receivable, net 562,028

Due from other governments 28,560,558

Accrued interest receivable on loans receivable, net 8,935

Lease receivable 1,373,697

Loans receivable, net 1,153,185

Other current assets 1,177,900

Total current assets **70,651,198**

Noncurrent assets

Accrued interest receivable on lease receivable 141,366

Lease receivable 17,288,431

Investments, net 4,329,800

Capital assets:

Construction in progress 715,281

Buildings and improvements, net 249,073,208

Furniture, fixtures, vehicles, and equipment, net 13,609,313

Right-to-use lease assets, net 32,626,874

Total noncurrent assets **317,784,273**

Total assets **\$ 388,435,471**

The accompanying notes are an integral part of these financial statements.

Space Florida
Statement of Net Position (Continued)

<i>September 30,</i>	<i>2022</i>
LIABILITIES	
Current liabilities	
Accounts payable and accrued expenses	\$ 26,851,516
Salaries payable	121,184
Unearned revenue	198,090
Compensated absences	177,775
Deposits	181,306
Lease liability, current portion	442,648
Financed purchase, current portion	63,899
Note payable, current portion	1,058,408
Payable from restricted assets	
Contracts payable	915,777
Custodial liability	4,209,720
Customer advances	861,268
Total current liabilities	35,081,591
Noncurrent liabilities	
Accrued interest	586,002
Compensated absences	178,223
Lease liability, less current portion	32,954,565
Note payable, less current portion	322,080
Total noncurrent liabilities	34,040,870
Total liabilities	69,122,461
DEFERRED INFLOWS	
Deferred inflows related to leases	183,542,363
NET POSITION	
Net investment in capital assets	261,183,076
Restricted for:	
Special purpose	14,667,033
Unrestricted	(140,079,462)
Total net position	\$ 135,770,647

The accompanying notes are an integral part of these financial statements.

Space Florida

Statement of Revenues, Expenses, and Changes in Net Position

<i>For the year ended September 30,</i>	2022
Operating revenues	
Fees and charges for services	\$ 12,930,402
State appropriated funding	18,945,813
Other grant revenue - operating	38,962,209
Total operating revenues	70,838,424
Operating expenses	
Business development	49,937,808
General and administrative	11,147,687
Depreciation and amortization	14,911,585
Total operating expenses	75,997,080
Loss from operations	(5,158,656)
Non-operating revenues (expenses)	
Interest income	540,468
Interest expense	(784,434)
Impairment loss on investment	(249,860)
Loss on disposal of capital assets	(7,873)
Total non-operating revenues (expenses)	(501,699)
Change in net position	(5,660,355)
Net position, beginning of year	143,542,982
Prior period adjustment - (See Note 8)	(2,111,980)
Net position, beginning of year, as restated	141,431,002
Net position, end of year	\$ 135,770,647

The accompanying notes are an integral part of these financial statements.

Space Florida Statement of Cash Flows

For the year ended September 30,

2022

Cash flows from operating activities:

Cash received from customers and users	\$ 13,556,212
Cash paid to suppliers for goods and services	(51,693,107)
Cash payments to employees for services	(5,103,265)
Operating grant receipts	53,720,792
Net cash provided by operating activities	10,480,632

Cash flows from capital and related financing activities:

Purchase and construction of capital assets	(109,486)
Proceeds from custodial debt	12,480,643
Payments on construction of custodial project	(8,270,923)
Principal paid on note payable	(3,054,562)
Payments on financed purchase	(59,656)
Net cash provided by capital and related financing activities	986,016

Cash flows from investing activities:

Interest received	540,468
Interest paid	(784,434)
Purchase of investments	(2,380,000)
Net cash used in investing activities	(2,623,966)

Net increase in cash **8,842,682**

Cash, beginning of year **28,972,213**

Cash, end of year **\$ 37,814,895**

Cash for the purposes of this statement consists of the following

<i>September 30,</i>	2022
Cash	\$ 18,076,874
Restricted cash	19,738,021
Total cash	\$ 37,814,895

The accompanying notes are an integral part of these financial statements.

Space Florida
Statement of Cash Flows (continued)

<i>For the year ended September 30,</i>	2022
Reconciliation of loss from operations to net cash provided by operating activities:	
Loss from operations	\$ (5,158,656)
Adjustment to reconcile loss from operations to net cash provided by operating activities	
Depreciation and amortization expense	14,911,585
In-kind payment of rent, increase in unearned revenue	14,361
Bad debt expense	2,226,356
(Increase) decrease in assets:	
Accounts receivable	(295,271)
Due from other governments	(4,187,230)
Accrued interest receivable	(249,654)
Loans receivable	12,968
Other assets	(150,318)
Lease receivables	1,144,613
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	6,818,484
Compensated absences	(27,167)
Salaries payable	32,540
Contracts payable	713,705
Unearned revenue	(285,288)
Deposits	55,444
Customer advances	(21,017)
Accrued interest payable	586,002
Lease liabilities	(447,670)
Deferred inflows related to leases	(5,213,155)
Total adjustments	15,639,288
Net cash provided by operating activities	\$ 10,480,632

Summary of noncash investing activities	2022
Increase in investment impairment	\$ 249,860

Summary of noncash capital financing activities	2022
Right-to-use asset acquired through operating lease	\$ 1,552,118

The accompanying notes are an integral part of these financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Space Florida is an independent special district, a body politic and corporate, and a component unit of the State of Florida, which was created pursuant to the Space Florida Act, Sections 331.301-331.369, Florida Statutes, as amended. Space Florida's purpose is to foster the growth and development of a sustainable and world-leading aerospace industry in the State of Florida. Space Florida accomplishes its purpose by promoting aerospace business development, facilitating business financing, spaceport operations, research and development, workforce development, and innovative education programs. Space Florida is not considered an "agency" of the State for budgeting, as defined in Florida Statutes 216.011 and 287.012.

Space Florida is governed by a 13-member independent board of directors that consists of the members appointed to the board of directors of Enterprise Florida, Inc., by the Governor, the President of the Senate, and the Speaker of the House of Representatives pursuant to s. 288.901(5)(a)7, Florida Statutes and the Governor, who shall serve ex officio, or who may appoint a designee to serve as the chair and a voting member of the board.

Space Florida has the authority to purchase or construct facilities, to set rates, fees and charges for the use of facilities and to undertake joint financing with municipalities or private sector entities for projects. Space Florida also has the power to issue bonds and other instruments of indebtedness. The full faith and credit of the State of Florida does not secure any bonds issued by Space Florida.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Space Florida's financial statements are reported using the economic resources measurement focus, which is concerned with the inflow and outflow of resources that affect an entity. The Statement of Net Position reflects those resources available to meet current obligations and to be used in the delivery of goods and services in subsequent periods. The Statement of Revenues, Expenses and Changes in Net Position summarize those resources received and those consumed during the current period. The statement distinguishes between operating and non-operating revenues and expenses. Operating revenues generally result from leases, administrative fees and operating grants. Operating expenses include the costs for space business development activities, educational research development and workforce activities, operations, administrative expenses and depreciation. All revenues and expenses not meeting the definition of operating are reported as non-operating revenues and expenses.

Space Florida accounts for all of its activities within one enterprise fund.

Use of Estimates

The process of preparing financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Upon settlement, actual results may differ from those estimates.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash

Consists of cash on hand and demand deposits that are restricted and unrestricted.

Investments

Investments are valued at cost, as permitted by Governmental Accounting Standards Board Statement (GASBS) 62 *Codification of Account and Financial Report Guidance*, as the investments are not held for the primary purpose of income or profit and therefore do not meet the requirements as defined by GASBS No 72 *Fair Value Measurement* to be measured at fair value. Space Florida is allowed to invest in common stock and warrants under Florida Statute 331.305. Management has reviewed the investments and recognized an impairment of \$2,073,175 (see custodial credit risk in Note 2) as of September 30, 2022.

Accounts Receivable

The receivables are funds due to Space Florida from customers. Space Florida charges interest based on contract terms. An allowance of \$11,770 was recorded at September 30, 2022 based on management's estimate of the collectability of outstanding accounts receivable balances.

Leases Receivable

Space Florida has multiple commercial lease agreements for buildings and land. Space Florida's commercial lease receivables are measured at the present value of lease payments expected to be received during the lease terms at the treasury bill rate of a period similar to the remaining lease periods at the date of adoption. Subsequently, the lease receivables are reduced by the principal portion of lease payments received over the life of the lease terms. Most leases include increases of a minimum percentage or escalate with CPI or fair value adjustments.

Loans Receivable

Loans receivable consist of loans due from several companies (See Note 4). Management reviews each loan and based on timeliness of payments estimates an allowance.

Other Assets

Other assets consist of deposits and prepaid expenses. Prepaid expenses reflect costs applicable to future accounting periods and is recorded as a prepaid items in the financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Assets

Restricted assets consist primarily of cash received and unexpended in connection with specific private-funded projects.

Capital Assets

Capital assets are defined as assets with an initial cost of more than \$1,000 and an estimated useful life in excess of one year. Capital assets are recorded at cost when purchased or at acquisition value at the date of donation. Additions, improvements and expenditures for repairs and maintenance that extend the lives of assets are capitalized. Other expenditures for repairs and maintenance are charged to expense as incurred. The carrying amount and accumulated depreciation of assets that are sold or retired are removed from the accounts in the year of disposal and any resulting gain or loss is included in results of operations.

Depreciation is provided using the straight-line method over the useful lives of the various classes of depreciable assets. The estimated useful lives of the building improvements is 27 years, and furniture, fixtures, vehicles and equipment range from 2 to 27 years.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Space Florida has one (1) item that qualify for reporting as a deferred inflows of resources. The deferred inflows related to leases are associated with amounts owed to Space Florida, as lessor, by entities leasing Space Florida's capital assets.

Accrued Compensated Absences

Space Florida's reporting of accrued compensated absences has been recorded in accordance with GASB Codification C60: *Compensated Absences*. A liability is accrued for an employee's right to receive compensation for future absences when certain conditions are met.

Unearned Revenues

Unearned revenues include amounts invoiced or collected before the revenue recognition criteria are met and includes advanced payments received from grantor agencies that are unearned and recognized over the periods to which the payments relate.

Deposits

Deposits consist of amounts held for tenants of leased facilities.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Custodial liability

The custodial liability consists of funds held for an unrelated company.

Customer advances

Customer advances consist of assets provided to Space Florida before the related expenses are incurred.

Long-term obligations

In the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the proprietary fund statement of net position. In accordance with GASB Codification 130: *Interest Costs – Imputation*, debt issuance costs are expensed in the periods incurred except for prepaid insurance costs.

Net Position

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of debt, or other liabilities that are attributable to the acquisition, construction or improvement of those assets.

Net position is restricted when constraints placed on funds are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. At September 30, 2022 restricted net position consists primarily of cash received and unexpended in connection with specific State-funded projects and unearned revenue. When both restricted and unrestricted resources are available for use, generally it is Space Florida's policy to use restricted resources first, then unrestricted resources as needed.

Adoption of New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contracts. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Space Florida has adopted the requirements of the guidance effective October 1, 2021 and has applied the provisions of this standard to the beginning of the period of adoption. Beginning net position was decreased \$2.1M for the implementation of GASB Statement No. 87 to record the impact of recording lease receivables and related deferred inflows of resources.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

Additional information about the changes to the financial statements related to the implementation of this Statement can be found in Note 8.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The Statement is being applied prospectively, therefore, there were no significant impacts of implementing this Statement.

Future Pronouncements

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future Pronouncements (Continued)

In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, *Compensated Absences*, The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

Space Florida is evaluating the requirements of the above statements and the impact on reporting.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, August 30, 2023. See Note 12 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in the financial statements.

Note 2: CASH AND INVESTMENTS

At September 30, 2022 the carrying amount of Space Florida's deposits was \$37,814,895 and the bank balances were \$40,180,485. These deposits consist of demand accounts that are covered by the Federal Depositary Insurance Corporation (FDIC) up to \$250,000. Monies invested in amounts greater than FDIC limits are secured by collateral held by Space Florida's agent, pursuant to the Florida Security for Public Deposits Act (the "Act"). The Act requires that Space Florida maintain deposits only in "qualified public depositories." All qualified public depositories must deposit with the State Treasurer eligible collateral in such amounts as required by the Act. Should a default or insolvency occur, the State Treasurer would implement procedures for payment of losses according to the validated claims of Space Florida. Therefore, Space Florida's deposits are considered to be fully insured.

Florida Statute 331.309 authorizes Space Florida to select as a depository any qualified public depository as defined in Florida Statute 280.02. Space Florida may also deposit funds with the State Treasury.

Space Florida Notes to the Financial Statements

Note 2: CASH AND INVESTMENTS (Continued)

Cash consists of the following:

<u>September 30,</u>	<u>2022</u>
Demand deposits	\$ 37,814,895
Classified as:	
Cash	\$ 18,076,874
Restricted cash	19,738,021
Total	\$ 37,814,895

Credit risk

Florida Statute 331.348 authorizes Space Florida to invest in funds backed by the federal and local governments, or any investment authorized in Florida Statute 17.57.

Interest rate risk

Space Florida's investment policy and Florida Statutes do not limit the maturities of investments to reduce the interest rate risk.

Foreign currency risk

Space Florida is not exposed to foreign currency risk. All of the holdings of Space Florida are denominated in US Dollars.

Concentration of credit risk

Space Florida's investment policy and Florida Statute 331.348 do not limit the concentration of types of investments.

Investments

At September 30, 2022 Space Florida had the following cost method investments, net of impairment:

<u>September 30,</u>	<u>2022</u>
Investment 1 - 513,838 shares of class A common stock *	\$ 1,966,800
Investment 2 - 7,000 shares of series A-2 preferred stock	63,000
Investment 3 - 230,000 shares of class A common stock *	2,300,000
Investment 4 - 25,000 shares of common stock	-
Investment 4 - warrants to purchase 25,000 shares of common stock	-
Investment 5 - 20,000 shares of common stock	-
Investment 5 - warrants to purchase 20,000 shares of common stock	-
Total	\$ 4,329,800

* greater than 5% of total investments

Additionally Space Florida holds warrants in Company 6 received as consideration for a loan more fully described in Note 4. At the time of the receipt of the warrants, Company 6 was involved in an administrative reorganization which would eliminate the equity holders of Company 6. Due to these factors Space Florida values the warrants in Company 6 at \$0

Note 2: CASH AND INVESTMENTS (Continued)

Investment 4 common stock is net of an impairment of \$500,000 and investment 4 warrants are net of an impairment of \$699,300 at September 30, 2022. Investment 5 common stock is net of an impairment of \$249,650, and investment 5 warrants are net of an impairment of \$249,650 and September 30, 2022.

Custodial credit risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, Space Florida will not be able to recover the value of the investments that are in the possession of an outside party. Space Florida does not have a formal policy for custodial credit risk. Space Florida's investments of \$4,329,800 and as of September 30, 2022 are for securities uninsured, unregistered and are held by the individual companies that have issued the stock. Space Florida incurred an impairment loss of \$249,860 and during the year ended September 30, 2022

Note 3: DUE FROM OTHER GOVERNMENTS

Due from other governments is comprised of \$28,560,558 of State appropriations and grants for operations and capital improvements at September 30, 2022.

Note 4: LOANS RECEIVABLE

Space Florida entered into several loan agreements with a company (Company 1) totaling \$1,036,925 through June 30, 2011 charging 1% interest per annum. During February 2012, the previous loans were refinanced and an additional \$399,076 was loaned to the Company. The loan is secured by collateral in an engine. Interest only payments are due monthly beginning March 2013 and a balloon payment was due in 2022. The Company has requested an extension of their loan beyond the maturity date. Accrued interest at September 30, 2022 was \$8,935. During the year ended September 30, 2022, interest payments were made in accordance with the terms of the agreement. Space Florida's management has estimated a portion of the note receivable will most likely not be collected and has recorded an allowance of \$287,200 at September 30, 2022.

During March, 2017, Space Florida entered into a promissory note agreement with a company (Company 4). The terms of the note include an original principal balance of \$74,480, interest accrues at 2.10% per annum, and requires 72 regular monthly payments of principal and interest of \$1,101 maturing in February 2023. The note is collateralized by the assets of Company 4.

During January 2018, Space Florida entered into an unsecured convertible promissory note agreement with Company 4. The terms of the note include an original principal balance of \$1,000,000, interest accrues at 8% per annum, and does not require regular payments. The note and all accrued interest are due during January 2023. During the year ended September 30, 2020, Space Florida elected to convert all accrued unpaid interest and future interest into equity holdings in Company 4, the value of which is impaired.

Space Florida Notes to the Financial Statements

Note 4: LOANS RECEIVABLE (Continued)

If the note is not paid in full by the maturity date, or upon change in control of the company, Company 4 may elect to convert the debt to equity based on a conversion factor, but has not elected to convert any of the principal. Space Florida has estimated the note will most likely not be collected and has recorded an allowance of \$1,000,000 at September 30, 2022.

During October 2018, Space Florida entered into a promissory note agreement with a company (Company 5). The terms of the note include an original principal balance of \$400,000, interest accrues at 2% per annum, and requires 20 quarterly interest only payments with a balloon payment of the remaining balance upon maturity during October 2023. The note is secured by certain personal property of Company 5. Management has estimated that the note receivable will most likely not be collected and has recorded an allowance of \$400,000 as of September 30, 2022.

During June 2020, Space Florida entered into an unsecured convertible promissory note agreement with a company (Company 6). The terms of the note include an original principal balance of \$2,000,000, interest accrues at 6% per annum, and requires payment of unpaid principal and accrued interest at maturity on December 28, 2021. The note agreement included 598,533 detachable warrants in Company 6's series B-1 Preferred Stock. Additionally, the note includes a conversion feature based upon terms of a subsequent equity issuance, or upon a change in control of Company 6. Accrued interest related to the note at September 30, 2022 was \$179,836. Management has estimated that the note receivable and related accrued interest will most likely not be collected and has recorded an allowance for the entire balance as of September 30, 2022.

During October 2020, Space Florida entered into an unsecured convertible promissory note agreement with a company (Company 6). The terms of the note include an original principal balance of \$2,000,000, interest accrues at 6% per annum, and requires payment of unpaid principal and accrued interest at maturity on December 28, 2021. The note agreement included 598,533 detachable warrants in Company 6's series B-1 Preferred Stock. Additionally, the note includes a conversion feature based upon terms of a subsequent equity issuance, or upon a change in control of Company 6. Accrued interest related to the note at September 30, 2022 was \$179,506. Management has estimated that the note receivable and related accrued interest will most likely not be collected and has recorded an allowance for the entire balance as of September 30, 2022.

Loans receivable are as follows:

<i>September 30,</i>		2022			
Name		Long-term Principal		Accrued Interest	Current Portion
Company 1	\$	-	\$	8,935	\$ 1,436,001
Company 4		-		-	1,004,384
Company 5		400,000		-	-
Company 6		-		359,342	4,000,000
Less allowance		(400,000)		(359,342)	(5,287,200)
Totals	\$	-	\$	8,935	\$ 1,153,185

Space Florida
Notes to the Financial Statements

Note 5: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 was as follows:

	Balance September 30, 2021*	Increases	Decreases	Balance September 30, 2022
Capital assets, not being depreciated				
Construction in progress	\$ 683,392	\$ 31,889	\$ -	\$ 715,281
Total capital assets not being depreciated	683,392	31,889	-	715,281
Capital assets, being depreciated:				
Buildings and improvements	330,468,615	-	(10,195)	330,458,420
Furniture, fixtures, vehicles, and equipment	22,301,338	77,598	(728,744)	21,650,192
Right-to-use lease assets:				
Land	32,228,460	1,552,118	-	33,780,578
Machinery and equipment	64,305	-	-	64,305
Total capital assets being depreciated	385,062,718	1,629,716	(738,939)	385,953,495
Less accumulated depreciation for:				
Buildings and improvements	(68,933,681)	(12,453,853)	2,322	(81,385,212)
Furniture, fixtures, vehicles, and equipment	(7,529,900)	(1,239,723)	728,744	(8,040,879)
Right-to-use lease assets:				
Buildings and improvements	-	(1,201,431)	-	(1,201,431)
Machinery and equipment	-	(16,578)	-	(16,578)
Total accumulated depreciation	(76,463,581)	(14,911,585)	731,066	(90,644,100)
Total capital assets, being depreciated, net	308,599,137	(13,281,869)	(7,873)	295,309,395
Capital assets, net	\$ 309,282,529	\$ (13,249,980)	\$ (7,873)	\$ 296,024,676

* As restated for implementation of GASB Statement No. 87.

Note 6: LONG-TERM DEBT

Notes Payable

During October 2013, Space Florida entered into a loan agreement with a bank in the amount of \$17,500,000. The note was to mature on January 30, 2015 and has subsequently been amended multiple times. The various amendments modified the maturity date, repayment terms, and interest rates. The current terms of the note were set forth in an agreement with the bank on June 15, 2020 which defined a maturity date of July 1, 2027, interest accruing at 3.021% per annum and quarterly payments of principal and interest beginning on October 1, 2020.

Space Florida
Notes to the Financial Statements

Note 6: LONG-TERM DEBT (Continued)

During fiscal year 2022, Space Florida provided for additional principal payments on the note. The outstanding principal balance as of September 30, 2022 was \$1,380,488. Payment of principal and interest is to be paid by pledged future appropriations from the State through the State Economic Enhancement and Development Fund. Annual principal and interest payments on the note payable are expected to require approximately 11% of appropriations for the year ending September 30, 2022.

Future minimum payments at September 30, 2022 are as follows:

<i>For the year ending September 30,</i>		Principal		Interest		Total
2023	\$	1,058,408	\$	21,796	\$	1,080,204
2024		322,080		396		322,476
Total	\$	1,380,488	\$	22,192	\$	1,402,680

Financed Purchase

On April 1, 2019, Space Florida entered into a financing agreement for equipment. The agreement requires annual payments of principal and interest of \$68,444 for up to 5 years. The annual imputed interest rate is 7.1125%. The equipment is being depreciated on a straight-line basis over 5 years.

Future minimum lease payments at September 30, 2022 are as follows:

<i>For the year ending September 30,</i>		Principal		Interest		Total
2023	\$	63,899	\$	4,545	\$	68,444
Total	\$	63,899	\$	4,545	\$	68,444

Changes In Long-Term Liabilities

Long-term liability activity for the years ended September 30, 2022 is as follows:

	Balance September 30, 2021*	Additions	Reductions	Balance September 30, 2022	Due Within One Year
Notes from direct borrowings:					
Notes payable	\$ 4,435,050	\$ -	\$ (3,054,562)	\$ 1,380,488	\$ 1,058,408
Total notes from					
direct borrowings	4,435,050	-	(3,054,562)	1,380,488	1,058,408
Compensated absences	383,165	406,366	(433,533)	355,998	177,775
Financed purchase	123,555	-	(59,656)	63,899	63,899
Lease liability	32,292,765	1,552,118	(447,670)	33,397,213	442,648
Total	\$ 37,234,535	\$ 1,958,484	\$ (3,995,421)	\$ 35,197,598	\$ 1,742,730

* As restated for the implementation of GASB Statement No. 87.

Note 7: CONDUIT DEBT

As defined by GASBC Section C65, conduit debt obligations are certain limited obligation debt instruments issued by a state or local governmental entity for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. Although the conduit debt obligations bear the name of the governmental entity, the entity has no obligation to repay the conduit debt beyond the resources provided by a lease or loan to the third-party. Space Florida has concluded that conduit debt does not create a liability for the governmental entity and, therefore, is not reflected on the entity's basic financial statements.

Space Florida has participated in the issuance of conduit debt projects that are not reflected on the statement of net position of its basic financial statements. The conduit debt transactions discussed below are limited obligation debts of Space Florida and are payable solely from the pledged revenues described in the respective debt agreements. Neither the faith nor credit, nor the taxing power of Space Florida, the State of Florida nor any subdivision thereof is pledged for the payment of the debts.

During December 2014, Space Florida entered into a multi-phase agreement with a company to provide with financing related to the sale and leaseback of personal and real property for up to \$250,000,000. As of September 30, 2022, the outstanding balance on Space Florida assisted financing was \$196,737,722. The debt will be repaid with proceeds from the lease of the personal property. The loan is collateralized by the lease.

During September 2020, Space Florida entered into an agreement with a company with operations in Orlando to provide financing relating to the leasing of personal property for up to \$75,000,000. The remaining payments under the lease agreement were \$77,333,770 at September 30, 2022. The debt will be repaid by fees charges by the lessee for usage of the equipment and is secured by the personal property.

During March 2022, Space Florida entered into agreements with a company (the "Guarantor") to provide conduit debt for up to \$70,000,000 related to the construction and lease back of property to the Guarantor. The debt will be repaid by assignment to the debt holder of the fees charges to the Guarantor for usage of the equipment and is secured by the personal property of the Guarantor. The proceeds of the conduit debt are to be used for the construction of the property and the construction project is being managed by Space Florida. As part of the agreement, at September 30, 2022, Space Florida holds \$4,209,720 of cash from the conduit debt for the payment of construction costs.

Note 8: LEASES

Space Florida has entered into various lease transactions for the purpose of economic development at various locations throughout the State of Florida. Space Florida enters into these lease transactions as lessee with the intent to sublease the right of use asset to another unrelated entity. A general description of Space Florida's leasing arrangements is as follows:

Note 8: LEASES (Continued)

Engineering & Technology Center

Space Florida is the lessee of the Engineering & Technology Center (ETEC) under an agreement entered into on November 7, 2012, with the Melbourne Airport Authority for the right and intent to sublease facilities. The term of the lease is for 360 months with an option to extend this lease for up to 4 additional terms of 5 years. The lease began in August 2014. The lease contains rent escalations based upon a 5 year trailing Consumer Price Index (CPI) calculation. Future rent monthly rent payments range from \$14,226 to \$17,622 and are estimated using the 5 year trailing CPI as of the date of adoption of GASBS No. 87, *Leases*. At September 30, 2022 the lease liability is \$2,200,282.

Space Florida is the lessor and subleases the EETC to an unrelated company under an agreement entered into on September 18, 2014 for period of 20 years. The tenant is responsible for maintenance, operations, and improvements of the facilities. The lease contains rent escalations based upon a 5 year trailing Consumer Price Index (CPI) calculation. Future rent receipts range from \$14,226 to \$17,622 and are estimated using the 5 year trailing CPI as of the date of adoption of GASBS No. 87, *Leases*. The lease receivable at September 30, 2022 is \$2,200,282.

Commercial Crew and Cargo Processing Facility

Space Florida is the lessor and subleases the Commercial Crew and Cargo Processing Facility “C3PF” f/k/a/ Orbiter Processing Facility 3 “OPF-3,” Space Shuttle Main Engine Processing Facility, K6-0696 building, and the processing Control Center under an agreement entered into on April 1, 2015. The lease terminates in December 31, 2021 with an option to extend for up to two additional terms of three years, but shall not extend beyond the user permit term expiration date of June 1, 2027. The lease contains rent escalations based upon the fair market value of the leased property as determined by NASA or an independent appraisal. The lease requires quarterly payments and future rent receipts are \$33,532 a quarter. At September 30, 2022 the lease receivable is \$300,311 and the deferred inflow is \$299,578.

Exploration Park

Exploration Park Phase 1

Space Florida is the lessee of land from NASA’s John F. Kennedy Space Center for the development of a mixed-use, multi-tenant technology and commerce park referred to as “Exploration Park” under an enhanced use agreement entered into on January 1, 2009. The initial lease term is 30 years with an optional 30 year renewal period. The park is intended to host diverse aerospace-related activities for commercial, civil and military tenants. No cash lease payments are required under the lease agreement until January 1, 2039, however Space Florida recognizes and accrues the related interest expense. Once lease payments begin, the rent expense shall escalate on the anniversary using the consumer price index or, if greater, shall be 5% of gross revenues derived from subleases in Phase 1. Future rent payments , after cash payments begin, range from \$56,102 to \$1,678,359 per year. The lease liability at September 30, 2022 is \$21,563,649.

Note 8: LEASES (Continued)

Exploration Park (Continued)

Space Life Sciences Lab at Exploration Park

Space Florida is the lessee of land from NASA's John F. Kennedy Space Center under a use agreement entered into on February 8, 2001 with an initial term of 30 years and an optional 30 year renewal period. On the leased land, Space Florida constructed and owns the Space Life Sciences Lab (SLSL) at Exploration Park. Space Florida leases space within the SLSL to various tenants, and the use agreement with NASA requires Space Florida to make regular lease payments if NASA is not the primary tenant. During the year ended September 30, 2022, NASA was not the primary tenant and Space Florida does not anticipate NASA to become the primary tenant and has included these lease payment obligations in the consolidated lease disclosures. The lease requires quarterly payments of \$77,750. The lease liability at September 30, 2022 is \$2,703,815.

Space Florida is the lessor and subleases office and laboratory space within the SLSL to a company under an agreement entered into on August 12, 2021. The initial lease term is 2 years with additional negotiable renewal periods. The lease requires regular monthly payments ranging from \$8,161 to \$40,395. The lease receivable at September 30, 2022 is \$418,282 and the deferred inflow is \$337,891.

Space Florida leases other office and laboratory space within the SLSL to various tenants under short term or cancelable lease agreements.

Exploration Park Phase 1 Building D-F

Space Florida is the lessor of land and a building to a company under an agreement entered into on April 25, 2017. The terms of the agreement include a contribution of the building constructed by the tenant to Space Florida in exchange for the right to lease the building back and a reduction of future land lease payments. The lease began upon occupancy of the building by the tenant on April 1, 2019 with a term of 20 years and renewal options for up to an additional 15 years via three 5 year lease renewal periods. The agreement also requires payment of quarterly common area maintenance fees and a prepayment for quarterly projected utility usage which are excluded from future rent receivables. The lease requires monthly payments of \$43,537. At September 30, 2022 the lease receivable is \$7,355,352 and the deferred inflow is \$7,286,405.

Exploration Park Phase 2 Site A

Space Florida is the lessee of land from NASA's John F. Kennedy Space Center under a use agreement entered into on December 31, 2015. The lease began upon the completion of certain improvements by Space Florida on September 30, 2018 and terminates September 2075. There are no cash lease payments required until October 1, 2042; however, Space Florida recognizes and accrues the related interest expense. Once cash lease payments begin the rental rate shall escalate on the anniversary using the consumer price index or, if greater, shall be 5% of gross revenues derived from subleases in Phase 2. Future rent payments, after cash payments begin, range from \$306,194 to \$412,894 per year. The lease liability at September 30, 2022 is \$6,865,161.

Note 8: LEASES (Continued)

Exploration Park (Continued)

Space Florida is the lessor of land within Exploration Park Phase 2 Site A to a company under an agreement entered into on December 28, 2019. The lease terminates September 2075. The terms of the agreement include a contribution from the tenant as more fully described below in exchange for leasing the land back to the tenant. The contribution will offset all future lease payments and no cash payments are due. Lease payments are recognized monthly with the remaining balance recognized as a deferred inflow. At September 30, 2022, the lease receivable is \$6,865,161 and the deferred inflow is \$6,744,718.

Space Florida is the lessee of buildings and ancillary support structures within Exploration Park Phase 2 Site A to a company under an agreement entered into on December 28, 2019. The terms of the agreement include a contribution of the buildings and ancillary support structures constructed by the tenant to Space Florida in exchange for leasing the building back to the tenant. The contribution will offset all future lease payments. Lease payments are recognized monthly with the remaining balance recognized as a deferred inflow. The lease term is 50 years expiring December 2068. At September 30, 2022 the deferred inflow is \$46,844,483.

Exploration Park Phase 2 Site B

Space Florida is the lessee of buildings and ancillary support structures within Exploration Park Phase 2 Site B to a company under an agreement entered into on February 28, 2020. The terms of the agreement also include an embedded lease-leaseback through the assignment of a lease, excluding future lease payments, from the tenant to Space Florida in exchange for leasing it back to the tenant. Additionally the terms of the lease include a contribution of buildings and ancillary support structures constructed by the tenant to Space Florida in exchange for leasing the building and ancillary support structures back to the tenant. The contribution will offset all future lease payments and no cash payments are due. Lease payments are recognized monthly with the remaining balance recognized as a deferred inflow. The lease term is 50 years expiring November 2070. At September 30, 2022 the deferred inflow is \$118,568,110.

Shuttle Landing Facility

Space Florida is the lessee of vehicles for refueling of equipment at the Shuttle Landing Facility (SLF) under an agreement entered into on August 18, 2021. The initial lease term is 1 years with 3 one year renewal periods which are included in the lease liability. The terms of the agreement require no cash payments until February 2023. Once cash payments begin, payments of \$2,200 are due monthly. At September 30, 2022, the lease liability is \$64,306.

Space Florida is the lessor of buildings at the SLF to a company under an agreement entered into on June 15, 2020. The initial lease term expires June 30, 2021 and contains 4, 1 year renewal terms. The terms of the agreement require monthly payments ranging from \$5,673 to \$5,843. At September 30, 2022 the lease receivable is \$52,542 and the deferred inflow is \$51,815.

Space Florida Notes to the Financial Statements

Note 8: LEASES (Continued)

Launch Complex 20

Space Florida is the lessor of land, buildings, and infrastructure collectively referred to as Launch Complex 20 (SLC-20) to a company under an agreement entered into on October 11, 2021. The initial lease term is through March 31, 2026 with 3, consecutive 5 year renewal periods. The terms of the agreement require monthly payments ranging from \$8,333 to \$41,667. At September 30, 2022 the lease receivable is \$1,470,198 and the deferred inflow is \$1,214,457.

Other short-term agreements

Space Florida has additional agreements with NASA and the Air Force which are cancelable or contain terms of less than 12 months. These short-term agreements consist of short-term leases, access licenses, and rights to use various assets including Launch Complex 20, Launch Complex 46, the Shuttle Landing Facility, and other smaller facilities or parcels of land. These agreements are expensed as incurred.

Implementation of GASB Statement No. 87

Upon the adoption of GASBS No. 87, *Leases*, Space Florida recognized the following adjustments to net position:

Net position, September 30, 2021, as previously reported	\$ 143,542,982
Adjust for balances remaining under prior accounting guidance:	
Prepaid rent	(12,474,380)
Deferred rent liability	10,362,400
Lease receivable	187,407,745
Deferred inflow of resources related to leases	(187,407,745)
Right-to-use leased assets	32,292,765
Lease liabilities	(32,292,765)
Net position, September 30, 2021, as restated	<u>\$ 141,431,002</u>

Space Florida
Notes to the Financial Statements

Note 8: LEASES (Continued)

The following is a schedule of future minimum lease payments from lease agreements at September 30:

<i>For the years ending September 30,</i>	Principal	Interest	Total Future Minimum Lease Payments
2023	\$ 442,648	\$ 69,846	\$ 512,494
2024	460,749	62,643	523,392
2025	483,560	55,805	539,365
2026	473,469	48,774	522,243
2027	480,112	41,722	521,834
2028 - 2032	2,247,621	101,513	2,349,134
2033 - 2037	380,243	2,998,124	3,378,367
2038 - 2042	-	4,103,246	4,103,246
2043 - 2047	-	6,600,215	6,600,215
2048 - 2052	1,665,030	5,651,941	7,316,971
2053 - 2057	4,178,841	3,828,352	8,007,193
2058 - 2062	6,627,151	2,160,964	8,788,115
2063 - 2067	8,565,578	1,106,080	9,671,658
2068 - 2072	5,036,495	343,757	5,380,252
2073 - 2077	1,942,821	121,649	2,064,470
2078 - 2082	412,895	-	412,895
Total	\$ 33,397,213	\$ 27,294,631	\$ 60,691,844

Note 9: RETIREMENT PLAN

Effective September 1, 2006, Space Florida established a Simplified Employee Pension Plan (the "Plan"). The Plan eliminates the taxation required for the social security element of the Federal Insurance Contributions Act (FICA) for all participants and for Space Florida.

All employees of Space Florida are eligible to participate in the Plan immediately. Participants vest at 100% upon entering the Plan and retirement eligibility is set at age 65.

The Plan is non-contributory for employees and, therefore, all contributions are the obligation of Space Florida. Contributions to the Plan for the year ended September 30, 2022 was \$814,773 and represented 15% of total eligible employee gross compensation for each period.

Note 10: COMMITMENTS AND CONTINGENCIES

Commitments

Contract commitments at September 30, 2022 were \$103,846,572 and related to the design and construction for various launch sites and capital assets and certain other consulting agreements.

Economic Dependency

Space Florida received approximately 82% of its total revenues from State legislative appropriations and grants during the year ended September 30, 2022.

State Appropriated Funds & Federal Contracts

Amounts received from State and Federal agencies are subject to audit and adjustment at the discretion of these entities. If expenditures are disallowed as a result of these audits, the claims for reimbursement to the agency would become a liability of Space Florida.

Note 11: RISK MANAGEMENT

Space Florida purchases commercial insurance for worker's compensation, health and property insurance for their major capital assets. Therefore all risks of loss are fully insured up to policy maximums.

Note 12: SUBSEQUENT EVENTS

During June 2023, Space Florida entered into a \$75 million conduit debt agreement with an unrelated entity and a financial institution. The proceeds from the conduit debt are for the construction of a real estate and equipment.

During June 2023, Space Florida entered into a \$201 million conduit debt agreement with an unrelated entity and a financial institution. The proceeds from the conduit debt are intended to be used by the unrelated entity for the construction of a building.

SUPPLEMENTARY INFORMATION

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Space Florida

Schedule of Travel, Business Meals and Incidental Expenses

<i>For the year ended September 30,</i>	2022	2021
Domestic:		
Travel and incidental ⁽¹⁾	\$ 145,356	\$ 90,443
Conference fees	16,025	3,499
Business meals	29,540	28,486
Total domestic	190,921	122,428
Foreign:		
Travel and incidental ⁽¹⁾	23,847	-
Business meals	810	-
Total foreign	24,657	-
Total	\$ 215,578	\$ 122,428

⁽¹⁾ Incidental expenses consist of telephone charges and gratuities.

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INDEPENDENT AUDITORS' 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*

The Board of Directors
Space 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 Space Florida, as of and for the year ended September 30, 2022 and the related notes to the financial statements, which collectively comprise Space Florida's basic financial statements, and have issued our report thereon dated August 30, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Space Florida'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Space Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of Space Florida'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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Space Florida'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.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida

August 30, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550, RULES OF THE FLORIDA
AUDITOR GENERAL**

The Board of Directors
Space Florida

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited Space Florida's compliance with the types of compliance requirements described in *Chapter 10.550, Rules of the Auditor General* that could have a direct and material effect on each of Space Florida's major state projects for the year ended September 30, 2022. Space Florida's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Space Florida 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 state projects for the year ended September 30, 2022.

Basis for Opinion on Each Major State Project

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 Chapter 10.550, Rules of the Auditor General. Our responsibility under those standards and Chapter 10.550 *Rules of the Auditor General* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Space Florida and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state project. Our audit does not provide a legal determination of Space Florida's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Space Florida's state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Space Florida's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.550 *Rules of the Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Space Florida's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Space Florida's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Space Florida's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of Space Florida's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 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 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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
August 30, 2023

Space Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2022

Section I-Summary of Auditor's Results

Financial Statements

- | | |
|--|------------|
| 1. Type of auditors' report issued: | Unmodified |
| 2. Internal control over major financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Noted |
| c. Noncompliance material to the financial statements noted? | No |

State Projects

- | | |
|---|----------------------------------|
| 1. Type of auditors' report issued on compliance for major state projects | Unmodified |
| 2. Internal control over major state projects: | |
| a. Material weakness identified? | No |
| b. Significant deficiency identified? | None Noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550? | No |
| 4. Identification of major state projects: | |
| <u>CSFA Number</u> | <u>Federal Program</u> |
| 55.037 | Spaceport Improvement Program |
| 40.040 | Economic Development Partnership |
| 5. Dollar threshold used to distinguish between type A and B projects : | \$1,758,652 |

Space Florida
Schedule of Findings and Questioned Costs (continued)
For the Year Ended September 30, 2022

Section II—Financial Statement Findings

No matters were reported.

Section III—State Project Findings and Questioned Costs

No matters were reported.

Section IV—Prior Findings and Questioned for State Projects

No matters were reported in the prior year.

Space Florida

Schedule of Expenditures of State Financial Assistance
For the Year Ended September 30, 2022

State Agency Pass-through entity, State Project	CSFA Number	Contract/Grant Number	Expenditures	Transfer to Subrecipients
Florida Department of Economic Opportunity				
Direct Projects				
Economic Development Partnership, Israel	40.040	SB22-009	\$ 1,000,000	\$ -
Economic Development Partnership, Operations	40.040	SB22-008	8,526,177	-
Economic Development Partnership, Operations	40.040	SB23-008	3,365,400	-
Economic Development Partnership, Financing	40.040	SB22-011	5,683,241	-
Economic Development Partnership, Financing	40.040	SB23-009	370,995	-
Total Florida Department of Economic Opportunity			18,945,813	-
Florida Department of Transportation				
Direct Projects				
Spaceport Improvement Program	55.037	FM#435321-1-94-01	843,747	-
Spaceport Improvement Program	55.037	FM#436863-1-94-04	19,076,559	-
Spaceport Improvement Program	55.037	FM#436863-1-94-05	3,577,063	3,577,063
Spaceport Improvement Program	55.037	FM#437070-1-94-03	450,877	450,877
Spaceport Improvement Program	55.037	FM#435257-1-14-04	1,200,763	-
Spaceport Improvement Program	55.037	FM#435257-1-14-04	1,034,694	-
Spaceport Improvement Program	55.037	FM#437069-1-94-05	11,948,209	11,948,209
Spaceport Improvement Program	55.037	FM#435257-1-14-05	1,544,002	-
Total Florida Department of Transportation			39,675,914	15,976,149
Total Expenditures of State Financial Assistance			\$ 58,621,727	\$ 15,976,149

Note A - Significant Accounting Policies:

The Schedule of Expenditures of State Assistance is a summary of Space Florida's state assistance programs presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

Grant monies received and disbursed by Space Florida are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, Space Florida does not believe that such disallowance, if any, would have a material effect on the financial position of Space Florida.

INDEPENDENT AUDITORS' MANAGEMENT LETTER

The Board of Directors
Space Florida

Report on the Financial Statements

We have audited the financial statements of Space Florida as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated August 30, 2023.

Auditors' Responsibility

We conducted our audit 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 Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditors' Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accounts' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated August 30, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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. There were no corrective actions to be taken as there were no findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority of Space Florida is disclosed in the footnotes. There are no component units.

Financial Condition and Management

Section 10.554(l)(i)5.a., and 10.556(7) Rules of the Auditor General, require that we apply appropriate procedures and communicate the results of our determination as to whether or not Space Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that Space Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for Space Florida. It is management's responsibility to monitor Space Florida'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 same.

Section 10.5534(1)(i)2, Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Specific Information (Unaudited)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6-8, Rules of the Auditor General, Space Florida reported the information below. This information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, Space Florida reported:

- a. The total number of Space Florida employees compensated in the last pay period of the Space Florida's fiscal year as: 47
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of Space Florida's fiscal year as: 2
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency. \$ 5,247,572
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency. \$ 359,053
- e. Each construction project with a total cost of at least \$65,000 approved by Space Florida that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such projects as: below

Project name	Budget
Project Upgrade CAE	\$ 10,163,943

f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if Space Florida amends a final adopted budget under Section 189.016(6), Florida Statutes.

Space Florida operates as an enterprise fund and does not adopt a legal budget, therefore no reporting is required by Section 189.016(6), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, Space Florida reported:

a. The millage rate or rates imposed by Space Florida. **None**

b. The total amount of ad valorem taxes collected by or on behalf of Space Florida. **None**

c. The total amount of outstanding bonds issued by Space Florida and the terms of such bonds as: **None**

Information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General: Space Florida has not imposed any special assessments and therefore no reporting is required by Section 218.39(3)(c), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
August 30, 2023

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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

The Board of Directors
Space Florida

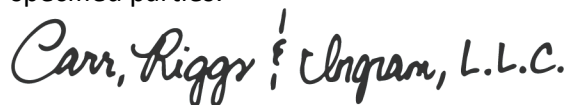
We have examined Space Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. Management of Space Florida is responsible for Space Florida's compliance with the specified requirements. Our responsibility is to express an opinion on Space Florida's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Space Florida complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Space Florida complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including as assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on Space Florida's compliance with specified requirements.

In our opinion, Space Florida complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2022.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.



Melbourne, Florida
August 30, 2023



Required Communications

August 30, 2023

To the Board of Directors
Space Florida

We are pleased to present the results of our audit of the 2022 financial statements of Space Florida.

This report to the Board of Directors summarizes our audit, the report issued and various analyses and observations related to Space Florida's accounting and reporting. The document also contains the communications required by our professional standards.

Our audit was designed, primarily, to express an opinion on Space Florida's 2022 financial statements. We considered Space Florida's current and emerging needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you, the Board of Directors, expect. We received the full support and assistance of Space Florida personnel.

At Carr, Riggs & Ingram, LLC (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This information is intended solely for the use of the Board of Directors and management of Space Florida and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact me at 321.426.3041 or yclayborne@cricpa.com.

Very truly yours,



Yvonne Clayborne, CPA
Partner
Carr, Riggs & Ingram, LLC



As discussed with management during our planning process and communicated to the Board of Directors in our engagement letter to you dated March 3, 2023 our audit plan represented an approach responsive to the assessment of risk for Space Florida. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Board and management, 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, in order to express an opinion on Space Florida's financial statements for the year ended September 30, 2022. Additionally, we have audited Space Florida's compliance with the types of compliance requirements described in Chapter 10.550, *Rules of the Auditor General* that could have a direct and material effect on each of Space Florida's major state projects for the year ended September 30, 2022.
- 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*; and Chapter 10.550, *Rules of the Auditor General* in order to express an opinion on compliance with requirements applicable to each major state project.
- Report on internal control over compliance with the types of compliance requirements described in Chapter 10.550, *Rules of the Auditor General* and the Florida Compliance Supplement;
- Communicate directly with the Board of Directors and management regarding the results of our procedures;
- Address with the Board of Directors and management any accounting and financial reporting issues;
- Anticipate and respond to concerns of the Board of Directors and management; and
- Other audit-related projects as they arise and upon request.



We have audited the financial statements of Space Florida for the year ended September 30, 2022, and have issued our report thereon dated March 3, 2023. Professional standards require that we communicate to you the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Auditors' responsibility under Generally Accepted Auditing Standards, <i>Government Auditing Standards</i> and Chapter 10.550, Rules of the Auditor General.</p>	<p>As stated in our engagement letter dated March 3, 2023, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management, with your oversight, are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP).</p> <p>As part of our audit, we considered the internal control of Space Florida, and internal controls related to major state projects and issued an opinion on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have direct and material effect on each state project in accordance with the <i>Florida Single Audit Act</i>, and Chapter 10.550, <i>Rules of the Auditor General</i>. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control and compliance with laws and regulations.</p>
<p>Client's responsibility</p>	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, changes in net assets, and cash flows in conformity with the applicable framework. Management, with oversight from those charged with governance, is responsible for the design and implementation of programs and controls to prevent and detect fraud. Management is responsible for overseeing nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.</p>
<p>Planned scope and timing of the audit</p>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
<p>Management judgments and accounting estimates</p> <p><i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditor's conclusion regarding the reasonableness of those estimates.</i></p>	<p>Please see the following section titled "<i>Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality.</i>"</p>



MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Potential effect on the financial statements of any significant risks and exposures</p> <p><i>Major risks and exposures facing Space Florida and how they are disclosed.</i></p>	<p>No such risks or exposures were noted.</p>
<p>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditor's judgment about the quality of accounting principles</p> <ul style="list-style-type: none"> <i>The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</i> <i>Alternative treatments within GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor.</i> 	<p>Significant accounting policies are described in Note 1 to the financial statements. We noted no transactions entered into by Space Florida during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.</p> <p>Significant accounting policies used by the Space Florida are described in Note 1 to the financial statements.</p> <p>New accounting policies were adopted during the fiscal year as a result of the following recently issued accounting pronouncements:</p> <ul style="list-style-type: none"> Statement No. 87, <i>Leases</i> (GASB 87) Statement No 89, <i>Accounting for Interest Cost Incurred Before the End of a Construction Period</i>. <p>The adoption of GASB Statement No. 87 had an impact on the financial statements. See Note 8 in the financial statements. The adoption of GASB Statement No. 89 did not have a significant impact on the financial statements.</p> <p>Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:</p> <p>Note 2, discloses the nature of Space Florida's investments are carried at cost as they are not purchased for the purpose of a financial return on investment.</p> <p>The disclosure of conduit debt in Note 7 to the financial statements describes the limited-obligation debts of Space Florida.</p> <p>Further, the disclosures in the Space Florida's financial statements are neutral, consistent, and clear.</p>
<p>Significant difficulties encountered in the audit</p> <p><i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>



MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Disagreements with management <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or auditors' report. This does not include those that came about based on incomplete facts or preliminary information.</i>	We are pleased to report no such disagreements arose during the course of our audit.
Other findings or issues <i>Matters significant to oversight of the financial reporting practices by those charged with governance.</i>	None noted.
Matters arising from the audit that were discussed with, or the subject of correspondence with, management <i>Conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i>	None noted.
Corrected and uncorrected misstatements <i>Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.</i>	See "Summary of Audit Adjustments" section.
Major issues discussed with management prior to retention <i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i>	Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Consultations with other accountants <i>When management has consulted with other accountants about significant accounting or auditing matters.</i>	To our knowledge, there were no such consultations with other accountants.
Written representations <i>A description of the written representations the auditor requested (or a copy of the representation letter).</i>	See "Management Representation Letter" section.
Fraud and illegal acts <i>Fraud involving senior management or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditor's attention involving senior management and any other illegal acts, unless clearly inconsequential.</i>	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.



MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Other information in documents containing audited financial statements</p> <p><i>The external auditor's responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.</i></p>	<p>Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:</p> <ul style="list-style-type: none"> • Such information is materially inconsistent with the financial statements; and • We believe such information represents a material misstatement of fact.
<p>Required Supplementary Information</p> <p><i>The auditors' responsibility for required supplementary information accompanying the financial statements, as well as any procedures performed and the results.</i></p>	<p>We applied certain limited procedures to the required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p>
<p>Supplementary Information in relation to the financial statements as a whole</p> <p><i>The auditors' responsibility for supplementary information accompanying the financial statements, as well as any procedures performed and the results.</i></p>	<p>We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.</p>

Accounting Policies, Judgements and Sensitive Estimates and CRI Comments on Quality



We are required to communicate our judgments about the quality, not just the acceptability, of Space Florida's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. The Board of Directors and management may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Investments	Investments are valued at cost, as permitted by Section 150: <i>Investments</i> , of the GASB Codification, as the investments are not held for the primary purpose of income or profit, therefore they do not meet the requirements as defined by GASBS 72 <i>Fair Value Measurement</i> to be valued at fair value. Space Florida is allowed to invest in common stock and warrants under Florida Statute 331.305.	Yes	Space Florida evaluates investments annually for impairment based upon financial data provided by the companies.	We evaluated the key factors and assumptions used to develop the allocation of expenses in determining that they are reasonable in relation to the financial statements taken as a whole.
Allowance for Doubtful Accounts	Space Florida provides for an allowance for doubtful accounts based on its history of past write-offs and collections and current credit conditions of customers. Space Florida follows the provisions of ASC 310, <i>Receivables</i> , when reporting receivables and the related allowance.	Yes	Space Florida relies on historical trends for the estimation of the allowance amount, based on a detailed management review of receivable balances.	Space Florida's policies are in accordance with all applicable accounting guidelines.

Accounting Policies, Judgements and Sensitive Estimates and CRI Comments on Quality



AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Capital Assets	Capital assets are depreciated over their estimated useful lives. Space Florida follows the provisions of Section 1400: <i>Reporting Capital Assets</i> , of the GASB Codification when reporting depreciation of its capital assets.	Yes	Management's estimate of useful lives of capital assets is based on the experience with similar assets and guidance provided by ASC 360.	We evaluated the key factors and assumptions used to develop the useful lives in determining that they are reasonable in relation to the financial statements taken as a whole.
Loans receivable	Space Florida reports loans receivable net of allowances for uncollectible amounts based on its history of past write-offs and collections and current credit conditions of customers.	Yes	Management reviews each loan and based on the timeliness of payments estimates an allowance.	Space Florida's policies are in accordance with all applicable accounting guidelines.
Compensated Absences	Liabilities for compensated absences is attributable to services already rendered are accrued as employees earn the rights to those benefits. Space Florida follows the provisions of Section C60: <i>Compensated Absences</i> , of the GASB Codification when reporting these liabilities.	Yes	Space Florida estimated the accrued liability for compensated absences using leave balances accrued at the end of the fiscal year multiplied by the pay rate in effect for each employee as of the end of the fiscal year.	Space Florida's policies are in accordance with all applicable accounting guidelines.

Accounting Policies, Judgements and Sensitive Estimates and CRI Comments on Quality



AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Lease Receivables and Related Deferred Inflows of Resources	Lease receivables are initially measured at the net present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. Space Florida follows the provisions of Section L20: <i>Leases</i> , of the GASB Codification when reporting the net present value on leases.	X	Management's estimate of the lease receivables are based the net present value calculated based on the lease terms.	We evaluated the key factors and assumptions used to develop the estimated net present values in determining that they are reasonable in relation to the financial statements as a whole.
Lease Liability and Amortization of Right-to-Use Assets	Space Florida amortizes right-to-use assets using the straight line method and has utilized the incremental borrowing rate to determine the lease liability and the fair value of the underlying assets.	X	Space Florida amortizes right-to-use assets over the shorter period of the lease term or the useful life of the asset which is based on the experience with similar assets and guidance provided by GASB Statement No. 87, <i>Leases</i> . Similarly, using past experience with similar assets and the guidance provided by GASB Statement No. 87, <i>Leases</i> , Space Florida has utilized the incremental borrowing rate to determine the measurement of the lease liability, interest payments and fair value of the underlying asset.	We evaluated the key factors and assumptions used to develop the estimated useful lives, discount rate and fair value of assets in determining that they are reasonable in relation to the financial statements taken as a whole.



During the course of our audit, we accumulate differences between amounts recorded by Space Florida and amounts that we believe are required to be recorded under GAAP reporting guidelines. Those adjustments are either recorded (corrected) by Space Florida or passed (uncorrected). Uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in the auditors' judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

There were no adjustments, either corrected or uncorrected, as a result of our audit procedures.

QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of Space Florida's operating environment that has been identified as playing a significant role in the Space Florida's operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.



August 30, 2023

Carr, Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, FL 32940

This representation letter is provided in connection with your audit of the financial statements of Space Florida, which comprise the financial position as of September 30, 2022 and the changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP)

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of August 30, 2023, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 3, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) There have been no events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.



- 8) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 9) Guarantees, whether written or oral, under which Space Florida is contingently liable, if any, have been properly recorded or disclosed.
- 10) The prior period restatement for the adoption of GASB Statement No. 87, *Leases* is in accordance with GAAP.
- 11) You have provided all information necessary to evaluate whether contracts entered into contain a lease and if the lease is properly recorded under GAAP. All leases are properly recorded and disclosed in the financial statements and notes.

Information Provided

- 12) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters [and all audit or relevant monitoring reports, if any, received from funding sources].
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within Space Florida from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Space Florida or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures State Financial Assistance.
- 14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 15) We have no knowledge of any fraud or suspected fraud that affects Space Florida and involves—
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 16) We have no knowledge of any allegations of fraud or suspected fraud affecting Space Florida's financial statements communicated by employees, former employees, regulators, or others.
- 17) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 18) We have disclosed to you the names of Space Florida's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.



- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 22) Space Florida has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have appropriately disclosed all information for conduit debt obligations in accordance with GAAP. We believe sale leaseback transactions entered into are not liabilities of Space Florida and are within the scope of existing GAAP and are properly disclosed as conduit debt.
- 25) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and disclosures, and the schedule of travel, entertainment and incidental expenses, and formatted schedule of expenditures of state financial assistance. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating Denise Swanson, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures, schedule of travel, entertainment and incidental expenses and schedule of expenditures of state financial assistance.
- 28) Space Florida has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) Capital assets received by Space Florida in exchange for future occupancy are an exchange transaction and qualify as a lease under GAAP. The recognition of revenue and deferred inflows is properly valued based on the substance of the transaction. The useful life of the capital assets received approximates that of the contractual occupancy term.
- 30) Space Florida has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 31) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 32) The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.
- 33) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.



- 34) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 35) Investments are properly valued. We do not believe that the stocks and warrants should be impaired, other than what has been adjusted. We have evaluated all of the investments held at September 30, 2022 for impairment. All impairments have been recorded and properly disclosed to you and in the financial statements.
- 36) Provisions for uncollectible receivables have been properly identified, recorded, and disclosed.
- 37) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 38) Revenues are appropriately classified in the statement of activities within program revenues, general revenues.
- 39) Deposits and investment securities are properly classified as to risk and are properly disclosed.
- 40) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 41) We have appropriately disclosed Space Florida's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 42) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 43) With respect to the Schedule of Travel, Entertainment, and Incidental Expenses.
 - a) We acknowledge our responsibility for presenting the Schedule of Travel, Entertainments, and Incidental Expenses in accordance with accounting principles generally accepted in the United States of America, and we believe the Schedule of Travel, Entertainment, and Incidental Expenses, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the Schedule of Travel, Entertainment, and Incidental Expenses have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the Schedule of Travel, Entertainment, and Incidental Expenses is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 44) With respect to state programs:
 - a) We are responsible for understanding and complying with and have complied with, the requirements of Chapter 10.550, *Rules of the Auditor General* (Florida Single Audit Act) including requirements relating to preparation of the schedule of expenditures of state financial assistance.



- b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of state financial assistance (SESFA) and related notes in accordance with the requirements of the Florida Single Audit Act, and we believe the SESFA, including its form and content, is fairly presented in accordance with the Florida Single Audit Act. The methods of measurement or presentation of the SESFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SESFA.
- c) We have identified and disclosed to you all of our government programs and related activities subject to the Florida Single Audit Act compliance audit, and have included in the SESFA, expenditures made during the audit period for all awards provided by state agencies in the form of state awards, state cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance and state financial assistance.
- d) We are responsible for understanding and complying with, and have complied with, the requirements of state statutes, regulations, and the terms and conditions of state financial assistance related to each of our state programs and have identified and disclosed to you the requirements of state statutes, regulations, and the terms and conditions of state awards that are considered to have a direct and material effect on each major program.
- e) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for state programs that provides reasonable assurance that we are managing our state awards in compliance with state statutes, regulations, and the terms and conditions of state awards that could have a material effect on our state programs. We believe the internal control system is adequate and is functioning as intended.
- f) We have made available to you all state awards (including amendments, if any) and any other correspondence with state agencies or pass-through entities relevant to state programs and related activities.
- g) We have received no requests from a state agency to audit one or more specific projects as a major project.
- h) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the Chapter 10.550 *Rules of the Florida Auditor General*, relating to state financial assistance and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of state projects.
- i) We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- j) Amounts claimed or used for matching were determined in accordance with relevant guidelines in the *Florida Single Audit Act*.
- k) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- l) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to compliance requirements, including information related to state project financial reports and claims for advance and reimbursements.



- m) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
 - n) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
 - o) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the date as of which compliance was audited.
 - p) State program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
 - q) The copies of state program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective state agency or pass-through entity, as applicable.
 - r) We have monitored subrecipients, as necessary, to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of Chapter 10.550, *Rules of the Auditor General*.
 - s) We have taken appropriate action, including issuing management decisions, on a timely basis after recipient of subrecipients' auditor's reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements and have ensured that subrecipients have taken the appropriate and timely corrective action on findings.
 - t) We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records. We have charged costs to state awards in accordance with applicable cost principles.
 - u) We have charged the cost of state projects in accordance with applicable cost principals.
- 45) Space Florida is in compliance with Florida Statute 218.415, *Local Government Investment Policies*, in all respects.
- a) We are responsible for establishing and maintaining effective internal control over compliance.
 - b) We have performed an evaluation of the Space Florida's compliance with Florida Statute 218.415, *Local Government Investment Policies*.
 - c) All relevant matters are reflected in the measurement or evaluation of Space Florida's compliance with the specified requirements.
 - d) We are responsible for selecting the specified requirements and for determining that the specified requirements are appropriate for our purposes.
 - e) We have provided you with all relevant information and access to information and personnel in connection with your examination of compliance with Florida Statute 218.415, *Draft Local Government Investment Policies*.
 - f) We have disclosed to you all known matters that may contradict Space Florida's compliance with the specified requirements and we have disclosed to you all communications from regulatory agencies, internal auditors, other independent accountants or consultants, and others regarding possible noncompliance with Florida Statute 218.415, *Local Government Investment Policies*, including communications received between September 30, 2022 and the date of the examination report.



- g) We have responded fully to all inquiries made to us by you during the engagement.
- 46) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

Signature: _____
Title: _____

Signature: _____
Title: _____

Project and Contract Activities



BOARD BRIEF
By Chief Investment Officer
Dated: November 2023

PROJECT: SPACE FLORIDA 2024 FLORIDA DEPARTMENT OF TRANSPORTATION PLANNING AND ENGINEERING SERVICES

DESCRIPTION: Management requests approval for authority to negotiate and enter agreement with the Florida Department of Transportation for 2024 Planning and Engineering Services in the amount of up to Four Million Dollars (\$4,000,000). Funding will be utilized in conjunction with the Spaceport Improvement Program efforts associated with master planning, spaceport system planning, development initiatives, as well as engineering and program management.



BOARD BRIEF
By Chief Investment Officer
Dated: November 2023

PROJECT: 2024 PLANNING AND ENGINEERING SERVICES WITH AECOM, BRPH, AND RS&H

DESCRIPTION: Management requests approval for authority to negotiate and enter agreement with AECOM, BRPH, and RS&H in the amount of up to Four Million Dollars (\$4,000,000) from Fiscal Year 2024 Florida Department of Transportation planning and engineering funding. Anticipated efforts include spaceport master planning, spaceport system planning, development initiatives, and engineering and program management.



BOARD BRIEF
By Chief Investment Officer
Dated: November 2023

PROJECT: 2023 PLANNING AND ENGINEERING SERVICES WITH AECOM, BRPH, RS&H AND CARAHSOFT TECHNOLOGY CORPORATION

DESCRIPTION: Management requests approval for authority to negotiate and enter agreement with AECOM, BRPH, RS&H and CARAHSOFT TECHNOLOGY CORPORATION in the amount of up to Three Million Five Hundred Thousand Dollars (\$3,500,000) from previously approved Fiscal Year 2023 Florida Department of Transportation planning and engineering funding. Anticipated efforts include spaceport master planning, spaceport system planning, on-call support, environmental restoration strategy studies, wharf-seaport intermodal studies, spaceport commercial trends studies, critical bridge infrastructure assessments, and environmental assessments for future development areas.



BOARD BRIEF
By Chief Investment Officer
Dated: November 2023

PROJECT: DEPARTMENT OF COMMERCE FISCAL YEAR 2024 AGREEMENTS

DESCRIPTION: Space Florida requests approval for authority to negotiate and enter Fiscal Year 2024 appropriated funding agreements with the Department of Commerce commencing July 1, 2023 through June 30, 2024 for the following:

ITEM A: Space Florida funding to support operations and activities in the amount of Eleven Million Five Hundred Thousand Dollars (\$11,500,000).

ITEM B: Space Florida funding to support collaborative research, development, and commercialization of projects related to aerospace and other technology and life sciences as further described through the cooperation agreement between Space Florida and The Israel Innovation Authority in the amount of One Million Dollars (\$1,000,000).

ITEM C: Space Florida funding to support aerospace industry financing, business development and infrastructure needs in the amount of Eight Million Five Hundred Thousand Dollars (\$8,500,000).



BOARD BRIEF
By Chief Investment Officer
Dated: November 2023

PROJECT: 2024 FLORIDA-ISRAEL INNOVATION PARTNERSHIP CALL FOR PROJECT GRANT AWARDS

DESCRIPTION: Space Florida requests approval for authority to negotiate and enter agreements in the amount of up to One Million Dollars (\$1,000,000) for the to-be-determined via competitive process selected awards for the 2024 Florida-Israel Innovation Partnership Call for Project Grant Awards.



BOARD BRIEF
By Chief Investment Officer
Dated: November 2023

PROJECT: SPACE FLORIDA 2024 FACILITIES AND SUBLEASES

DESCRIPTION: Facility, property management and operations activities for Exploration Park, Space Life Sciences Lab, RLV Hangar, Launch and Landing Facility, Launch Complex 20, Launch Complex 46, Area 57, South Campus Offices, and the State of Florida Armory Board Camp Blanding Rocket Motor Storage Facility.

ITEM A: Management requests approval for authority to negotiate and enter agreements for premises fees, operations and maintenance, information technology, utilities, insurance, property management and service commodity needs at market terms for Fiscal Year 2024 in the budgeted amount of up to Seven Million Dollars (\$7,000,000).

Primary Vendors include but are not limited to: The State of Florida Armory Board (through the department of Military Affairs), Air Force, NASA, Eastern Aviation Fuels, Inc., (DBA Titan Aviation Fuels), Aviation Systems Engineering Company, Inc., Apogee Systems, Florida Municipal Insurance Trust, RUSH Facilities, LLC., Consolidated Safety Services, Inc., The Washington Consulting Group, Inc., Brevard Achievement Center, AT&T, Johnson Controls International, Mechanical Services of Central Florida, Waste Management, Inc., of Florida, W.W. Gay Mechanical Contractor, Inc., W.W. Gay Fire and Integrated Systems, Inc., Carahsoft, Adobe, SHI, Presidio., Insight, Microsoft, AppRiver, Insight, Level 3 Telecom Holding, LLC., (DBA CenturyLink), Florida High Speed Internet, Host Dime, Cummins Power South, Advance Security & Communications, Advance Disposal, Alachua Fire Extinguisher, AmeriLec, Florida Pest Control, Board of Bradford County Commissioners, and Comp-air Service, Co.

ITEM B: Fiscal Year 2024 Subleases for the above referenced facilities at Space Florida's established market rates.



BOARD BRIEF
By Chief Investment Officer
Dated: November 2023

PROJECT: SPACE FLORIDA 2024 CAPITAL REPAIRS AND IMPROVEMENTS

DESCRIPTION: Space Florida seeks board approval to facilitate capital repairs and improvements in the amount of up to Four Million Dollars (\$4,000,000) at the following Space Florida operated facilities: Space Life Sciences Lab (SLSL), Launch and Landing Facility (LLF) and the Camp Blanding Rocket Motor Storage Facility.

The below referenced capital improvements and repairs are necessary to mitigate equipment failure, improve facility efficiency and accommodate growth and require two-to-six-month lead times. Management requests approval for authority to negotiate and enter agreements for capital repairs and improvements which will be conducted by vendors selected by Space Florida to perform such services including vendors under current contract, vendors under existing state contracts, and/or additional vendors to be selected by Space Florida in accordance with Florida Statutes and Space Florida's procurement policies.

1. SLSL Exhaust Fan Replacement: There are three original exhaust fans critical to the SLSL's infrastructure and operation. One failed last year, 2022, and was replaced this year, 2023. One is currently on order and tentatively slated for installation during Q2/Q3 of 2024. The final original fan also needs replacement which maintains laboratory and overall building's pressurization and fume hood exhaust.
2. SLSL Chiller Warranties & HVAC Upgrades: Re-sign expired centrifugal chiller warranties with Trane. Relace pneumatic control lines for direct communication throughout the facilities Building Automated System.
3. SLSL Boiler/Water Heater Upgrades: The SLSL boilers have been the root cause of several recent HVAC issues. Also, the Animal Care Facility at the SLSL is obsolete. The upgrades will reconfigure systems to allow for proper building heat load and control of building automated systems within the HVAC system as well as decrease overall utility consumption.
4. LLF Plumbing & HVAC Upgrades: A sanitary sewer line at the Landing Aids Control Building (LACB) located at the LLF has collapsed and must be replaced. Additionally, the HVAC systems located at the LACB and Media Operations buildings at the LLF need replacement.



BOARD BRIEF
By Chief Investment Officer
Dated: November 2023

5. Camp Blanding HVAC, Fire Alarm and Exhaust Fan Replacement: The fire panel at Camp Blanding is beyond its useful life and the technology is antiquated. Additionally, Chiller(s) and exhaust fans need replacement.
6. Animal Care Facility Demolition and Renovation: Full demolition of existing animal cage washer and dryer assemblies within the SLSL. Renovation will increase the SLSL's leasable space by 8,400 square feet. This includes concrete adaptations, overhead lighting installations, electric outlet adaptations, ceiling adjustments, drywall, and flooring.
7. Space Florida SLSL Office Suite Upgrade: Furniture upgrades to accommodate for additional employees, additional workstations for remote workers, and additional meeting capacity in conference room 301. Includes furniture, carpet, electrical, IT, artwork, and installation. May include LLF Office Upgrades dependent on funding availability.
8. Information Technology Infrastructure Updates: Aging equipment is reaching the end of its serviceable life causing warranties to no longer be available for critical business components. Upgrades include updates to protect client data (including tenant infrastructure) as well as securing improvements to equipment located at the SLSL, LLF, and Disaster Recovery location that services Space Florida's business operations network.



BOARD BRIEF
By Chief Investment Officer
Dated: November 2023

PROJECT: KWENTO LLC.

DESCRIPTION: Management requests approval for authority to negotiate and enter agreement with Kwentto LLC., for a total not to exceed contract value in the amount of Three Hundred Seventeen Thousand Five Hundred Dollars (\$317,500). Kwentto LLC, provides consulting services related to business development efforts and transaction support services for Space Florida selected projects which commenced on February 1, 2022 and will extend services to be provided through February 2024.



INVESTMENT ASSESSMENT
By Chief Investment Officer
Dated: November 2023

PROJECT: LASER

DESCRIPTION: Management requests ratification for approval of authority to enter a Non-Binding Term Sheet with Triumph Gulf Coast, Inc., Pensacola-Escambia Promotion and Development Commission (PEDC), and Laser. Additionally, management requests authority to complete negotiations and enter a Grant Agreement with Triumph Gulf Coast, Inc., Laser, and PEDC. Lastly, management requests authority as appropriate to enter the following agreements pending the securing of funding in the capital markets: Ground Lease with The District Board of Trustees of Pensacola State College, Company Sublease related to the design construction, procurement, lease of facilities and equipment, financing agreements and other required agreements (such as the owners rep, construction manager agreement, etc.). At a future board meeting, pending agreement by all appropriate parties, management will present a financing resolution for the transaction detailing all material terms including attachments of the relevant agreements for approval.

QUALITIES OF VALUE:

<u>Category:</u>	<u>Met:</u>	<u>Not-Met:</u>
People	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Business Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Favorable Environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Expectation of Success	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Going Concern	<input checked="" type="checkbox"/>	<input type="checkbox"/>

MISSION FULFILLMENT SUMMARY ASSESSMENT:

SUITABLE	<input checked="" type="checkbox"/>
UNSUITABLE	<input type="checkbox"/>



INVESTMENT ASSESSMENT
By Chief Investment Officer
Dated: November 2023

PROJECT: MAPLE

DESCRIPTION: Management requests approval for authorization to complete negotiations and enter a Grant Agreement with Triumph Gulf Coast, Inc., Maple, and Grantee-Airport. Additionally, management requests authority as appropriate to enter the following agreements pending the securing of funding in the capital markets: Ground Lease with Panama City Bay County Airport and Industrial District, Company Sublease related to the design, construction, procurement, lease of facilities and equipment, financing agreements and other required agreements (such as the owners rep, construction manager agreement, etc.). At a future board meeting, pending agreement by all appropriate parties, management will present a financing resolution for the transaction detailing all material terms including attachments of the relevant agreements for approval.

QUALITIES OF VALUE:

<u>Category:</u>	<u>Met:</u>	<u>Not-Met:</u>
People	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Business Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Favorable Environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Expectation of Success	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Going Concern	<input checked="" type="checkbox"/>	<input type="checkbox"/>

MISSION FULFILLMENT SUMMARY ASSESSMENT:

SUITABLE	<input checked="" type="checkbox"/>
UNSUITABLE	<input type="checkbox"/>

Supplemental Information

SPACE FLORIDA



SPACE FLORIDA

BE WHERE NEW IDEAS TAKE OFF™



BOARD OF DIRECTORS WELCOME PACKET

2023-2024

MESSAGE FROM THE CHAIR OF THE BOARD

I want to welcome you to the Space Florida Board of Directors. It is a distinct honor to serve as your Chair, and I look forward to working with each of you.

Our success in aerospace is rooted in historic moments that reverberated throughout the globe and were made possible with Florida's longstanding investment and strategic vision. From the Apollo missions and shuttle launches to advanced manufacturing and cutting-edge research, Florida has made the choice to be firmly committed to its aerospace history and we are excited about our future.

Space Florida is uniquely positioned to support and foster the state's aerospace growth. Our Board of Directors is an integral part of our vision to further expand our ecosystem across the state. We currently manage a pipeline of nearly 150 projects, totaling over \$5.5 billion. Thank you for your commitment and willingness to serve. We are eager to solidify Florida as the gateway to space.

Sincerely,



Lt. Governor Jeanette Nuñez
Chair, Space Florida





BOARD OF DIRECTORS

SPACE FLORIDA BOARD OF DIRECTORS

Lieutenant Governor Jeanette Nuñez

CHAIR OF THE BOARD

Matt Bocchino

Director of Cecil Airport and Spaceport
Jacksonville Aviation Authority

Jonathan Satter

Chief Operations Manager & Managing Director
White Wolf Capital Group

Kevin Thibault

Chief Executive Officer
Greater Orlando Aviation Authority

Rodney Cruise

Senior Vice President & Chief Operating Officer
Embry-Riddle Aeronautical University

Kevin Daugherty

Director of Airports
Titusville-Cocoa Airport Authority

Jared W. Perdue, P.E.

Secretary
Florida Department of Transportation

Jonathan Daniels

Chief Executive Officer and Port Director
Port Everglades

Eric Hinson

President and CEO SIMCOM

Alexis Lambert

Chief of Staff
Florida Division of Bond Finance

Mori Hosseini

Chairman & Chief Executive Officer
ICI Homes

Neal Keating

Former Chairman President and Chief
Executive Officer of Kaman Corporation

BOARD RESOURCES

All relevant information, including information on staff, board meeting resources, open government, annual reports, and financial statements can be found at:

<http://www.spaceflorida.gov/>

For previous board meeting and committee agendas, please visit www.spaceflorida.gov/about/board-meeting-resources

For access to past Space Florida governance policies, annual reports, financial information and more, please visit www.spaceflorida.gov/about/open-government





STAFF AND ORGANIZATION

PRESIDENT AND CEO



ROBERT A. LONG

Robert Long serves as Space Florida's president and CEO, leading the state's aerospace finance and development authority to advance the aerospace industry and solidify the state as the premier global and interplanetary capital for aerospace commerce. He is a proven leader with more than 25 years of experience overseeing large organizations across the aerospace spectrum from launch operations and mobility to logistics and spaceport operations. Long has spent his career improving and enhancing the transportation to, from, and in space, managing complex aerospace programs, leveraging innovative technologies to improve both government and private sector outcomes, and developing new business models and operating concepts to create value for the commercial aerospace industry.

Long has nearly two decades of experience crafting defense industrial, aerospace, and fiscal policy and strategies, which included key roles advising the Defense Department's Chief Technology Officer and senior Defense Department space leaders. He has a long track record of building partnerships across and within government & industry toward mutually beneficial outcomes.

Long most recently served as the Commander for Space Launch Delta 30 and Western Launch and Test Range, Vandenberg Space Force Base. In this role he managed \$8.4 billion in assets, a \$280 million annual budget, installations spanning more than 118,000 acres, and oversaw 11,000 military, civilian, and contractor personnel.

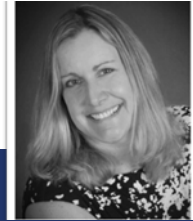
Long received his bachelor's degree in electrical engineering from the University of Washington, earned a master's degree in aerospace engineering from the University of Colorado, Colorado Springs and has master's degree from the College of Naval Command and Staff, the School for Advanced Air and Space Studies and the Eisenhower School. He retired as a colonel from the United States Space Force in July 2023.

SPACE FLORIDA EXECUTIVE STAFF



**HOWARD
HAUG**

Executive Vice
President, Treasurer
& Chief Investment
Officer



**DENISE
SWANSON**

Executive Vice
President, Chief
Financial Officer &
Corporate
Administration Officer



RONALD LAU

Senior Vice President,
Corporate
Development &
Capital Programs



**TODD
ROMBERGER**

Senior Vice President,
Spaceports Business
Unit



**MATT
CHESNUT**

Vice President,
Business & Economic
Development



**ANNA
FARRAR**

Vice President,
Corporate
Communications



MIKE MILLER

Vice President,
External Affairs and
Workforce
Integration



**TONY
GANNON**

Vice President,
Research and
Innovation



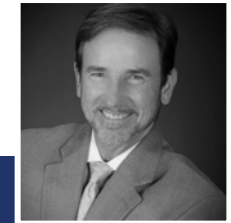
PETE EGGERT

Vice President,
Environmental
Health and Safety



**STEVE SZABO,
P.E.**

Vice President,
Spaceport
Development



**DALE
KETCHAM**

Vice President
Government &
External Relations

SPACE FLORIDA HISTORY

Over the years, space has become about more than just launching rockets. New opportunities opened for commercial entities to get in the game. But for startups and established aerospace companies alike, funding their ventures and finding the ideal place to launch their new ideas was proving to be almost as hard as rocket science.

In 2006, three of Florida's existing state space entities combined to form Space Florida as an independent special district and innovation connector. A unique state statute was enacted that opened the door to more creative financing options and infrastructure access – making aerospace ventures much easier to launch. This attracted even more aerospace activity to the region. And every new deal brought new ideas and broader experience to the Space Florida community.

Today, Space Florida offers leading aerospace companies unrivaled experience, unmatched financial tools, and an unbeatable location for their new initiatives. World-class companies ranging from Northrop Grumman to Blue Origin to EVE Air Mobility have all built long-term relationships with Space Florida.



WHAT WE DO

From spaceport authority operations and business development roles, Space Florida brings finance, business, and industry experts who've proven they can launch successful, groundbreaking aerospace initiatives.

Only Space Florida can successfully manage a dual role while bringing a mix of unrivaled experience, unmatched financial tools, and unbeatable location to the table.

SPACEPORT AUTHORITY

- Develop infrastructure
- Statewide planning
- Build, own, lease, & operate
- SLC-46
- Exploration Park
- Launch & Landing Facility

BUSINESS DEVELOPMENT

- Draw from a more diverse toolkit
- Access capital quickly and efficiently
- Conduit financing
- Leverage a diverse lender network
- Access to capital markets
- Tax efficiencies
- Move-in ready facilities



WORKFORCE AND TALENT PIPELINE

COLLABORATIVE ENVIRONMENT

Worked with industry and community leaders to bring together aerospace employers together with the training providers

MEETING BASIC NEEDS OF INDUSTRY

Developed a Master Credentials List in partnership with the industry to inform and amplify aerospace-approved credentials and in-demand skills to communities across the state

DRIVING EDUCATION

Developing “Space Academy” to be incorporated into K-12 classrooms to equip students with the education and pathway to obtain regionally in-demand credentials/skills

Only Space Florida brings this mix of experience, financial tools, and location.

THE SPACE FLORIDA DIFFERENCE

AEROSPACE COMPANIES WANT TO BE WHERE NEW IDEAS TAKE OFF, BECAUSE THAT'S WHERE YOU'LL FIND:



UNRIVALED EXPERIENCE

By teaming up with finance, business, and industry experts who've proven they know exactly what it takes to launch successful, groundbreaking aerospace initiatives



UNMATCHED FINANCIAL TOOLS

You can access capital and lower your long-term costs with customized financing and tax efficiencies you simply can't get anywhere else



UNBEATABLE LOCATION

Where companies can take their place in the new space economy or any other aerospace market with direct access to established infrastructure, a skilled workforce, and an environment built for innovation



OUR MESSAGE, OUR PITCH

“ Space Florida is where leading aerospace companies get everything they need to see their new ideas take off. ”

VISION

To solidify Florida as the premier global and interplanetary capital for aerospace commerce.

MISSION

Space Florida drives the aerospace industry forward through unrivaled experience, unmatched financial tools, and an unbeatable location.

THE 5-POINT PITCH



DEFINER

Space Florida is where leading aerospace companies get everything they need to see their new ideas take off.

EYE OPENER

Everyone wants to attract aerospace and space businesses and say they can help. But it takes more than tax incentives, some quick cash, and a ribbon cutting to really get a new idea off the ground and ensure sustainable, long-term growth.

THE 5-POINT PITCH

POSITIONING PILLARS

These businesses want to be where new ideas take off, because that's where they find:

#1 UNRIVALED EXPERIENCE

By teaming with finance, business, and industry experts who've proven they know exactly what it takes to launch successful, groundbreaking aerospace initiatives.

#2 UNMATCHED FINANCIAL TOOLS

So, they can access capital and lower their long-term costs with customized financing and tax efficiencies they simply can't get anywhere else.

#3 UNBEATABLE LOCATION

Where these businesses can take their place in the new space economy or any other aerospace market with direct access to established infrastructure, a skilled workforce, and an environment built for innovation.

Only Space Florida brings this mix of experience, financial tools, and location.



ECONOMIC TOOLKIT

SPACE FLORIDA'S FINANCIAL TOOLKIT

**CREATIVE FINANCIAL TOOLS AND SOLUTIONS TO
SUPPORT BUSINESS GROWTH AND EXPANSION IN FLORIDA**

CONDUIT FINANCING

- Access to facilities, equipment & tooling quickly & cost effectively
- Utilize existing capital efficiently

SYNTHETIC LEASING

- Financial & tax efficiencies
- Defer large capital expenditures

TAX EFFECIENCIES

- Ad valorem tax (property tax) exemptions
- Sales tax exemptions



SPACE FLORIDA'S FINANCIAL TOOLKIT

- Space Florida only considers helping secure third-party financing of new building facilities built on “Special Dirt”
- Special Dirt is any land owned directly by federal, state or local government, or instrumentally thereof (airport authority, county industrial authority, public university research park)
- The Special Dirt provision does not apply to the acquisition and placement of equipment and tooling





Florida is the premier global and interplanetary capital for aerospace commerce.

SPACEPORT IMPROVEMENT PROGRAM

The **Florida Department of Transportation** (FDOT) uniquely includes support for spaceports as part of its transportation network. FDOT and Space Florida work together to provide space transportation services and infrastructure in the state.

FDOT, through the Spaceport Improvement Program, provides funding for projects that:

- Improve aerospace transportation facilities
- Encourage cooperation and integration between airports and spaceports
- Facilitate and promote interagency efforts to improve space transportation capacity and efficiency

Past projects

- **SpaceX's** new processing and Starship manufacturing facility
- **Cecil Spaceport** improvement to its operations control center and payload process to enable commercial launch operations
- **Blue Origin's** new pad at Launch Complex 36
- **Boeing's Starliner** assembly
- **Airbus OneWeb** Satellite facility
- **United Launch Alliance's** improvements to Launch Complex 41 to enhance capabilities for medium/heavy vehicles at Cape Canaveral Spaceport

SPACEPORT IMPROVEMENT PROGRAM



Over the past 12 years...

- 37 major projects
- 2575+ direct jobs
- \$422 million Spaceport Improvement Program investment
- \$2.04 billion industry investment
- \$2.46 Billion Total
- \$205 Million / year average



Projected over the next 5 years...

- \$289 million Spaceport Improvement Program investment
- \$3.1 billion total industry identified need (includes SIP investment)
= **\$620 Million / year average**



PROJECTS AND ECONOMIC IMPACT

SPACE FLORIDA ECONOMIC IMPACT

\$5.9 BILLION

TOTAL SPACE FLORIDA
ECONOMIC IMPACT

SINCE 2007

\$1.1 BILLION

SPACE FLORIDA PROJECTED
YEARLY ECONOMIC IMPACT

20% OF WORKFORCE

SPACE FLORIDA IS RESPONSIBLE FOR
NEARLY 20% FLORIDA'S AEROSPACE
WORKFORCE

**\$5.5
BIL**

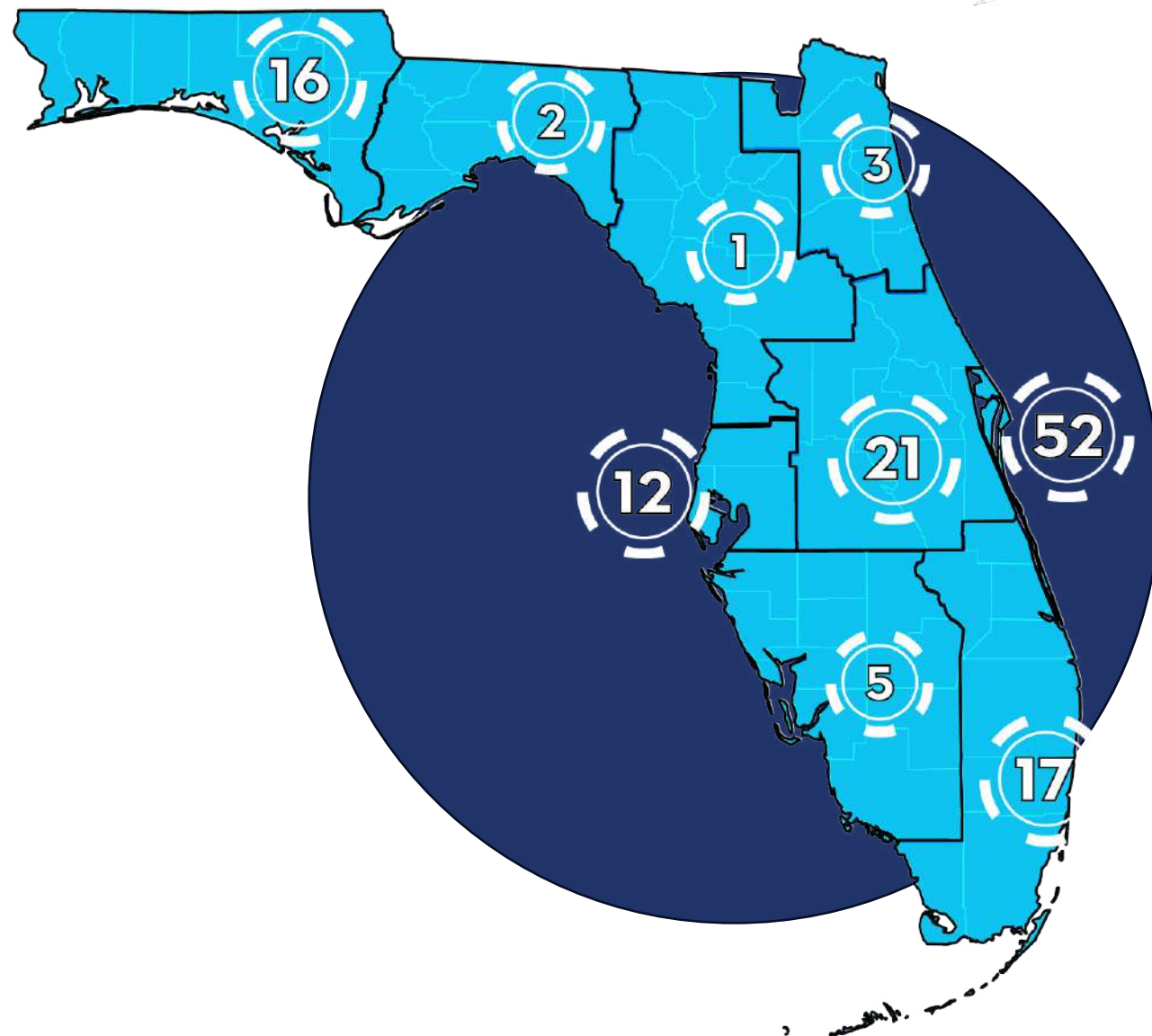
Total value of 2023
project pipeline

147

147 projects in the pipeline;
93 in the leads phase, 45 in
the opportunities phase, 9 in
the closing phase

26

26 different counties
represented, 6 of which are
designated rural areas of
opportunities



SPACE FLORIDA NOTABLE PROJECTS



AMAZON'S PROJECT KUIPER

- Amazon to invest approximately \$120 million in new construction and high-value equipment
- 100,000+ square foot in payload processing and support facilities
- Bring up to 50 new jobs with an average annual wage of \$80,000 plus benefits, and an additional 300 during the construction phase



BAE SYSTEMS

- \$200 million ship repair facility in Jacksonville
- Expands BAE Systems shipyard's docking capacity by 300 percent
- Construction operations expected to generate 1,000 new jobs

2022 MILESTONES



Operations Milestones

- Space Florida expanded its role in commercial spaceport operations by supporting two commercial launches at SLC-46, the only active multi-user launch pad on the Cape
- Enabled 3,500 total flight operations at Space Florida's Launch and Landing Facility (LLF) – including the arrivals of SpaceX's Crews 4 and 5, the successful return of the U.S. Space Force's X-37B unmanned spaceplane, and delivery of the heatshield for Artemis III

Investment Milestones

- Dassault Falcon Jet new maintenance facility in Melbourne, Florida
- Space Florida increased lease financing capacity for SIMCOM International, Inc. to \$110 million to fund additional full flight simulators
- \$70 million bank financing for CAE USA's new facility at Tampa International Airport
- Worked with Governor Ron DeSantis, Lieutenant Governor Jeanette Nuñez, and community agencies to invest \$30 million for Space Coast region workforce development
- Investments in innovation through partnerships with the Florida Venture Forum and the Israel Innovation Authority



Infrastructure / Spaceport Improvement Program Milestones

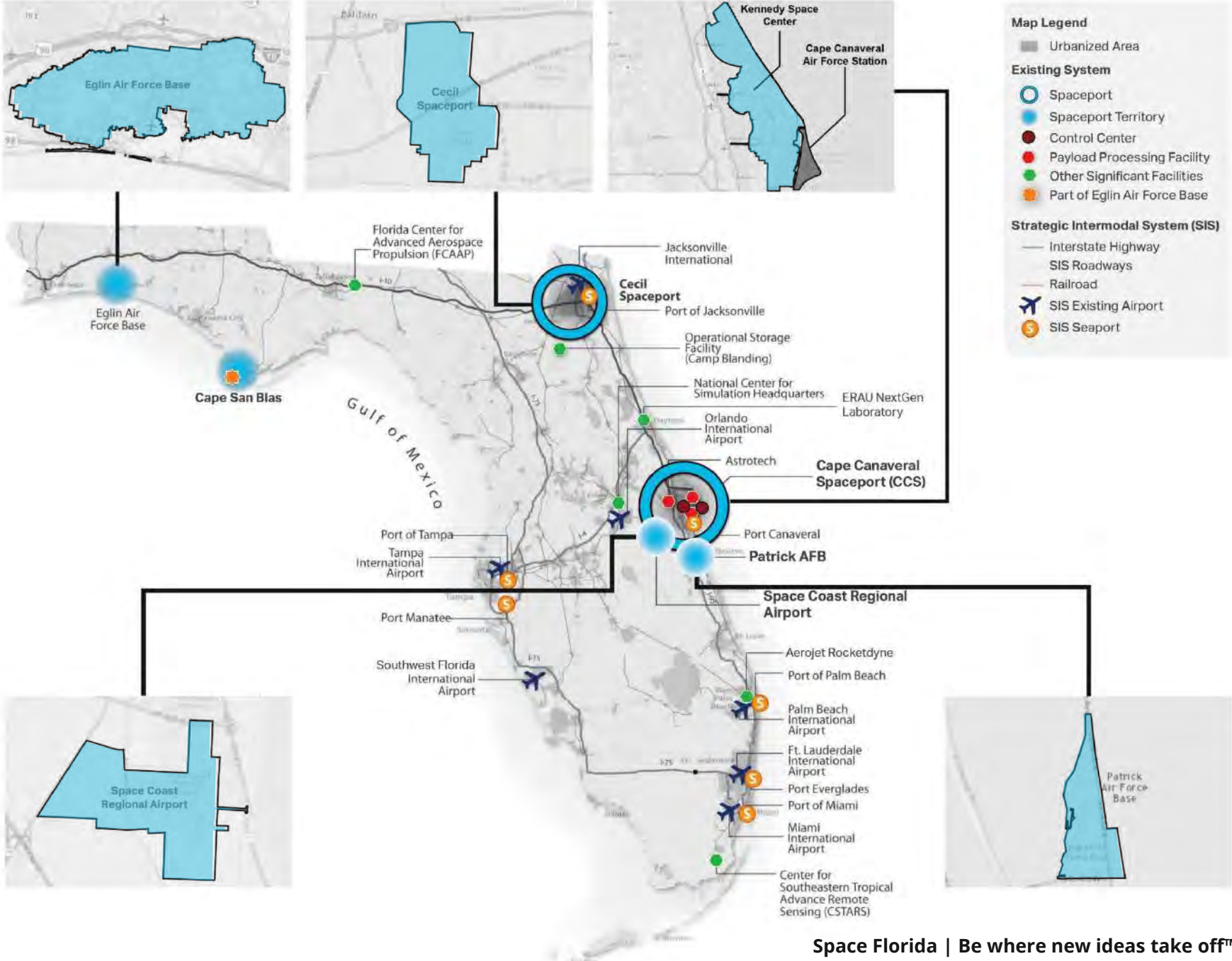
- Completion of a new mile-long utility corridor and began construction of an additional 1.3-mile segment with expected completion in Q1 2024, enabled the development of Amazon's Project Kuiper
- As a part of the Florida Spaceport Improvement Program, investing approximately \$63.8 million in grant funds over the past four years in partnership with the Florida Department of Transportation





SPACEPORT ECOSYSTEM

FLORIDA'S SPACEPORT SYSTEM



SPACE FLORIDA FACILITIES

Space Florida manages and oversees various strategic facilities from Pensacola to Key West.



Exploration Park

- On Florida's Space Coast – the only place in the world with a Quintimodal Transportation Hub featuring transportation by land, air, sea and space



Launch Complex 20 (LC-20)

- Space Florida is working with the United States Space Force, 45th Space Wing to repurpose LC-20 to provide additional launch site opportunities for new space launch companies.



Space Life Sciences Lab (SLSL)

- 104,000 total sq. ft.
- 30 Fully-Equipped Scientific Research Laboratories,
- 11 Hardware Laboratories
- Administrative/Office space
- Full environmental control



Launch and Landing Facility (LLF)

- Single runway, 33 (northwest)/15 (southeast)
- Air Traffic Control
- Access to restricted airspace
- Developing into an intermodal hub

SPACE FLORIDA FACILITIES

Space Florida manages and oversees various strategic facilities from Pensacola to Key West.



Launch Complex 46 (LC-46)

7,000 square foot support building
Pad lighting
Underground equipment room
Payload lift capabilities for low earth orbit (LEO) in excess of 4,900 lbs (2,227 kg)



Reusable Launch Vehicle Hanger

50,000 square foot parabolic arch
Full environmental control
Paging and area warning system
Full environmental control
Paging and area warning system



Operational Storage Facility

House four buildings
Totaling 69,560 square feet on
56 acres

SPACE FLORIDA'S AEROSPACE PARTNERS



SPACEX



amazon | project kuiper



Relativity

SIERRA
SPACE



SPACE FLORIDA



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