

SPACE FLORIDA



**AUDIT, ACCOUNTABILITY, AND GOVERNANCE
COMMITTEE MEETING
Agenda**

**Thursday, January 11, 2024
3:30 p.m. EST**

By Teleconference
**Call-in Number: 855-758-1310
Guest Code: 627 763 6389#
Passcode: 567768**

Agenda Items	
Call to Order	Rodney Cruise
Agenda	
• Public Comment	Rodney Cruise
• Minutes September 25, 2023	Rodney Cruise
• Committee Charter Review	Denise Swanson
• Interim Financial Statements 09/30/2023	Denise Swanson
• Budget 2024	Denise Swanson
• Resolution No. 24-47, Authorization to Enter Contracts	Howard Haug
Closing Remarks	Rodney Cruise

September 25, 2023 Minutes



Draft Minutes of a Regular Meeting of the Space Florida Audit & Accountability Committee

A Regular meeting of the Space Florida Audit & Accountability Committee was held by Teleconference on September 25, 2023. The meeting was called to order at 4:03 p.m. EDT.

COMMITTEE MEMBERS PRESENT:

Belinda Keiser (Chair)
Anthony Barbar
Rodney Cruise

SPACE FLORIDA STAFF PRESENT:

Howard Haug
Denise Swanson
Ron Lau
Todd Romberger
Beth Courtney
Cindi Egloff
Anna Farrar
Desiree Mayfield
Terrie Ireland
Rhonda Rosa
Ivy Zheng

Belinda Keiser (Chair) thanked the committee members for attending and called the meeting to order. Ms. Keiser stated that the meeting is being conducted in accordance with the Sunshine and Public Record laws of Florida.

There were no public comments.

Ms. Swanson requested review and approval of the August 23, 2023, Audit and Accountability Committee Minutes.

Rodney Cruise made a motion to approve the minutes of August 23, 2023, Audit and Accountability Committee Meeting, which was seconded by Anthony Barbar, and passed unanimously.

Ms. Swanson presented the results of the Financial Audit Solicitation for the Fiscal year end September 30, 2023, included in the advance package. 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

The committee reviewed the results and recommended in order of preference the top three firms deemed by the selection committee to be the most highly qualified to perform the audit services as described in the solicitation. The committee recommended the Space Florida Board authorize Space Florida management to conduct negotiations on its behalf with the top ranked firm and if negotiations are successful, to enter into a contract with that firm. If negotiations with the top-ranked firm are not successful, this process may be repeated by Space Florida Management with the second and third-ranked audit firms.

Anthony Barbar made a motion to recommend presentation of the results to the full Board of the Financial Audit Solicitation for the Fiscal Year end September 30, 2023, and recommends authorization for Space Florida management to conduct negotiations on its behalf with the top-ranked firm and if negotiations are successful, to enter into a contract with that firm. If negotiations with the top-ranked firm are not successful, this process may be repeated by Space Florida management with the second and third-ranked audit firms, respectively, which was seconded by Rodney Cruise, and passed unanimously.

Chair Keiser stated there was no further business for today and thanked everyone for their time and efforts.

CLOSING REMARKS & ADJOURNMENT

The meeting adjourned at 4:08 p.m. EDT

DRAFT

Committee Charter Review

Space Florida

Audit, Accountability, and Governance 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 Governance 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 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 Governance Committee will occur as the Committee Chair or the Board Chair deem advisable. The Audit, Accountability, and Governance 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 Governance 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 Governance Committee members will be furnished with copies of the minutes of each meeting.

Authority

The Audit, Accountability, and Governance 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 Governance 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 Governance 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

Interim Financial Statement September 30, 2023

SPACE FLORIDA



Total Compiled Statement of Revenues and Expenses Period Ending September 30, 2023

Unaudited

In 000's

	Total						Budget
	Budget	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	YTD Actual	Remaining
Operating Revenues							
State Appropriated Revenue - OPS	\$ 11,500	\$ 2,875	\$ 2,875	\$ 2,875	\$ 2,875	\$ 11,500	\$ -
Other Revenue	\$ 3,877	\$ 589	\$ 1,503	\$ 905	\$ 800	\$ 3,795	\$ 81
Total Operating Revenues	\$ 15,377	\$ 3,464	\$ 4,378	\$ 3,780	\$ 3,675	\$ 15,295	\$ 81
Operating Expenses							
Salaries & Other Related Costs	\$ 8,963	\$ 887	\$ 1,153	\$ 1,101	\$ 1,299	\$ 4,440	\$ 4,524
Contract & Subcontract Services	\$ 806	\$ 235	\$ 93	\$ 244	\$ 154	\$ 726	\$ 80
Utilities & Maintenance	\$ 3,780	\$ 945	\$ 498	\$ 1,520	\$ 1,820	\$ 4,782	\$ (1,002)
Travel & Entertainment	\$ 221	\$ 24	\$ 77	\$ 97	\$ 52	\$ 250	\$ (30)
Business Recruitment & Investment	\$ 260	\$ 26	\$ 58	\$ 5	\$ 11	\$ 99	\$ 161
General & Administrative	\$ 1,347	\$ 569	\$ 384	\$ 296	\$ 257	\$ 1,506	\$ (159)
Total Operating Expenses (Excluding Depreciation)	\$ 15,377	\$ 2,686	\$ 2,263	\$ 3,262	\$ 3,592	\$ 11,803	\$ 3,574
Change in Net Assets Due to Operations	\$ -	\$ 778	\$ 2,115	\$ 517	\$ 82	\$ 3,492	\$ (3,492)

Budget 2024



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

	<u>FY24 Total Budget</u>
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.

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
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)

Space Florida

Base Compensation Ranges

Exempt

Grade	Minimum	Maximum
26	\$292,270	\$542,787
25	\$272,310	\$505,718
24	\$253,784	\$471,312
23	\$236,518	\$439,247
22	\$220,406	\$409,326
21	\$205,392	\$381,442
20	\$191,409	\$355,474
19	\$178,378	\$331,274
18	\$132,717	\$231,398
17	\$123,588	\$211,909
16	\$115,087	\$194,061
15	\$107,170	\$177,717
14	\$99,799	\$162,749
13	\$92,934	\$149,042
12	\$86,542	\$136,489
11	\$80,589	\$124,993
10	\$75,046	\$114,466
9	\$69,884	\$104,825

Base Compensation Ranges

Non - Exempt

Grade	Minimum	Maximum
9	\$64,418	\$96,627
8	\$59,380	\$89,070
7	\$54,736	\$82,103
6	\$50,455	\$75,682
5	\$46,509	\$69,763
4	\$42,871	\$64,307

Resolution No. 24-47
Authorization to Enter Contracts

RESOLUTION NO. 24-47

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 but no more than \$300,000.00. The President shall advise the Board at the next regularly scheduled meeting of the Board of any such contracts so executed.

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 25th day of January, 2024.

SPACE FLORIDA

By: Its Board of Directors

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

ATTEST:

By: _____
Title: _____

