

**ECONOMIC DEVELOPMENT COMMISSION OF
FLORIDA'S SPACE COAST, INC.**

FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023



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**ECONOMIC DEVELOPMENT COMMISSION OF FLORIDA'S SPACE COAST, INC.
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YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Economic Development Commission of Florida's Space Coast, Inc.
Rockledge, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Economic Development Commission of Florida's Space Coast, Inc. (the Commission), which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Economic Development Commission of Florida's Space Coast, Inc., as of September 30, 2024 and 2023, and the changes in their net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Economic Development Commission of Florida's Space Coast, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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 Economic Development Commission of Florida's Space Coast, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Board of Directors
Economic Development Commission of Florida's Space Coast, Inc.

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 GAAS 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 GAAS, 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 Economic Development Commission of Florida's Space Coast, Inc.'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 Economic Development Commission of Florida's Space Coast, Inc.'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Orlando, Florida
April 11, 2025

ECONOMIC DEVELOPMENT COMMISSION OF FLORIDA'S SPACE COAST, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2024 AND 2023

ASSETS	2024	2023
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,074,680	\$ 2,683,550
Accounts Receivable, Net	192,463	149,638
Grants Receivable	113,339	137,638
Prepaid Expenses	38,390	35,177
Cash, Restricted for Grant Subrecipients	458,425	458,425
Total Current Assets	3,877,297	3,464,428
NONCURRENT ASSETS		
Property and Equipment, Net	26,110	34,537
Right-of-Use Assets - Operating, Net	184,737	268,178
Deposits	10,128	10,128
Total Noncurrent Assets	220,975	312,843
Total Assets	\$ 4,098,272	\$ 3,777,271
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 46,551	\$ 39,893
Accrued Expenses	123,273	115,035
Deferred Revenue	468,425	458,425
Lease Liability - Operating, Current Portion	88,176	81,959
Total Current Liabilities	726,425	695,312
LONG-TERM LIABILITIES		
Lease Liability - Operating, Net of Current Portion	103,137	191,047
Total Long-Term Liabilities	103,137	191,047
Total Liabilities	829,562	886,359
NET ASSETS		
Without Restrictions:		
Undesignated	2,786,344	2,405,257
Designated	456,256	451,118
Invested in Property and Equipment	26,110	34,537
Total Net Assets	3,268,710	2,890,912
Total Liabilities and Net Assets	\$ 4,098,272	\$ 3,777,271

See accompanying Notes to Financial Statements.

ECONOMIC DEVELOPMENT COMMISSION OF FLORIDA'S SPACE COAST, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
SUPPORT AND REVENUE WITHOUT RESTRICTIONS		
Brevard County Grant	\$ 1,260,450	\$ 1,400,050
Investor Payments	959,938	1,019,500
Investor Meetings and Functions	65,578	71,861
State Grants	409,701	755,203
Program Sponsorships	2,250	41,250
Contributions, Donated Goods, and Services	4,890	7,290
Interest Income	60,033	36,039
Total Support and Revenue Without Restrictions	2,762,840	3,331,193
EXPENSES		
Program Services Expense:		
Economic Development	1,920,167	2,229,679
Support Services Expense:		
Management and General	464,875	467,593
Total Expenses	2,385,042	2,697,272
CHANGE IN NET ASSETS	377,798	633,921
Net Assets - Beginning of Year	2,890,912	2,256,991
NET ASSETS - END OF YEAR	\$ 3,268,710	\$ 2,890,912

See accompanying Notes to Financial Statements.

**ECONOMIC DEVELOPMENT COMMISSION OF FLORIDA'S SPACE COAST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2024**

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
SALARIES AND RELATED EXPENSES			
Salaries	\$ 785,189	\$ 208,721	\$ 993,910
Payroll Taxes	49,942	13,276	63,218
Retirement Contributions	102,418	27,225	129,643
Health, Disability, Liability, and Workers' Compensation Insurance	<u>80,737</u>	<u>21,462</u>	<u>102,199</u>
Total Salaries and Related Expenses	<u>1,018,286</u>	<u>270,684</u>	<u>1,288,970</u>
OTHER EXPENSES			
Miscellaneous	-	103	103
Bad Debt Expense	-	10,238	10,238
Communication and Outreach	33,665	-	33,665
Dues and Subscriptions	33,717	5,950	39,667
Education and Training	1,401	372	1,773
Expenses Under Grants	380,822	-	380,822
Facilities/Occupancy	78,659	26,316	104,975
Meetings and Functions	218,701	-	218,701
Office and Administrative	-	94,659	94,659
Postage	300	87	387
Professional Fees	73,843	47,871	121,714
Travel and Auto	30,644	-	30,644
Website Maintenance and Enhancement	<u>3,848</u>	<u>428</u>	<u>4,276</u>
Total Other Expenses	<u>855,600</u>	<u>186,024</u>	<u>1,041,624</u>
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	1,873,886	456,708	2,330,594
Depreciation	7,163	1,264	8,427
Amortization	<u>39,118</u>	<u>6,903</u>	<u>46,021</u>
Total Expenses by Function	<u><u>\$ 1,920,167</u></u>	<u><u>\$ 464,875</u></u>	<u><u>\$ 2,385,042</u></u>

See accompanying Notes to Financial Statements.

**ECONOMIC DEVELOPMENT COMMISSION OF FLORIDA'S SPACE COAST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2023**

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
SALARIES AND RELATED EXPENSES			
Salaries	\$ 838,290	\$ 222,837	\$ 1,061,127
Payroll Taxes	49,840	13,249	63,089
Retirement Contributions	109,055	28,989	138,044
Health, Disability, Liability, and Workers' Compensation Insurance	83,025	22,070	105,095
Total Salaries and Related Expenses	<u>1,080,210</u>	<u>287,145</u>	<u>1,367,355</u>
OTHER EXPENSES			
Miscellaneous	-	200	200
Bad Debt Expense	-	15,950	15,950
Communication and Outreach	68,445	-	68,445
Dues and Subscriptions	24,114	4,255	28,369
Education and Training	2,665	708	3,373
Expenses Under Grants	673,050	-	673,050
Facilities/Occupancy	120,315	33,935	154,250
Meetings and Functions	165,600	-	165,600
Office and Administrative	-	75,715	75,715
Postage	435	123	558
Professional Fees	58,547	47,871	106,418
Travel and Auto	26,019	-	26,019
Website Maintenance and Enhancement	1,888	210	2,098
Total Other Expenses	<u>1,141,078</u>	<u>178,967</u>	<u>1,320,045</u>
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	2,221,288	466,112	2,687,400
Depreciation	7,163	1,264	8,427
Amortization	1,228	217	1,445
Total Expenses by Function	<u><u>\$ 2,229,679</u></u>	<u><u>\$ 467,593</u></u>	<u><u>\$ 2,697,272</u></u>

See accompanying Notes to Financial Statements.

ECONOMIC DEVELOPMENT COMMISSION OF FLORIDA'S SPACE COAST, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 377,798	\$ 633,921
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	8,427	9,872
Change in Operating Right-of-Use Assets and Lease Liabilities	1,748	4,828
(Increase) Decrease in Assets:		
Accounts Receivable	(42,825)	314,436
Grants Receivable	24,299	(73,803)
Prepaid Expenses	(3,213)	4,865
Increase (Decrease) in Liabilities:		
Accounts Payable	6,658	(35,372)
Accrued Expenses	8,238	6,632
Deferred Revenue	10,000	-
Total Adjustments	13,332	231,658
Net Cash Provided by Operating Activities	391,130	865,579
 NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	 391,130	 865,579
 Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	 3,141,975	 2,276,396
 CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	 \$ 3,533,105	 \$ 3,141,975
 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash and Cash Equivalents	\$ 3,074,680	\$ 2,683,550
Cash, Restricted for Grant Subrecipients	458,425	458,425
Total Cash and Cash Equivalents, Including Restricted Cash	\$ 3,533,105	\$ 3,141,975
 Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	 \$ -	 \$ 349,696

See accompanying Notes to Financial Statements.

ECONOMIC DEVELOPMENT COMMISSION OF FLORIDA'S SPACE COAST, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies and practices of Economic Development Commission of Florida's Space Coast, Inc. (the Commission), which affect significant elements of the accompanying financial statements:

Commission and Purpose

The Commission was incorporated May 4, 1989, and operates as a nonprofit organization. The Commission was organized to promote a common interest in economic and industrial development in Brevard County. The Commission is committed to enhancing the quality of life in Brevard County and advancing the welfare and economic interests of the region and its citizens through proactive economic development. It is the lead agency in Brevard County for the recruitment and retention of value-added manufacturing and technology-focused companies and is supported primarily through contracts, grants, and investor payments.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. For the years ended September 30, 2024 and 2023, all net assets were classified as without restrictions.

Cash and Cash Equivalents

For the purpose of reporting cash flows, cash and cash equivalents includes cash on hand, amounts in demand deposits, and short-term investments with an original maturity date of 90 days or less.

Accounts and Grants Receivable

The Commission records accounts receivable when incurred and grants receivable when entitled to reimbursement at reporting intervals established in grant agreements. Management reviews receivables monthly for past due accounts, with balances over 90 days subject to review and follow-up by the president/CEO. Past due notices are sent to investors with balances exceeding 60 days and accounts greater than 120 days old are generally written off.

The Commission has established a \$19,750 and \$21,700 allowance for credit losses at September 30, 2024 and 2023, respectively. Provision for uncollectible accounts is made based on several factors, including aging analysis and past experience.

Property and Equipment

The Commission capitalizes all expenditures for equipment with a value in excess of \$5,000 and a useful life greater than one year. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost.

ECONOMIC DEVELOPMENT COMMISSION OF FLORIDA'S SPACE COAST, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Commission determines if an arrangement is a lease at inception. Operating leases are included in Right-of-Use Assets – Operating and Lease Liability – Operating, and finance leases are included in Right-of-Use Assets – Financing and Lease Liability – Financing in the statements of financial position.

Right-of-use (ROU) assets represent the Commission's right to use an underlying asset for the lease term and lease liabilities represent the Commission's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Commission will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease terms. The Commission has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Commission has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

The Commission has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Accrued Leave

The Commission compensates its employees for unused vacation to a maximum of 20 days and sick leave up to six weeks paid at a rate of 50% upon termination of employment. The amount of change in accrued vacation and sick leave for all employees from one year to the next is recorded in personnel expense during the current year. Accrued leave is reported as Accrued Expenses on the accompanying statements of financial position.

Deferred Revenue

The Commission records certain contract receipts as deferred revenue until it is expended for the purpose of the contract, at which time it is recognized as revenue.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

ECONOMIC DEVELOPMENT COMMISSION OF FLORIDA'S SPACE COAST, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restriction when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Commission had no net assets with donor restrictions as of September 30, 2024 and 2023.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as Net Assets Released from Restrictions.

Contributed Services and Materials

Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Commission received contributed services of \$4,890 and \$7,290 during the years ended September 30, 2024 and 2023, respectively, for various marketing services and event space, which are included in in-kind contributions and the expense categories to which they relate in the statements of activities.

The Commission estimates the fair value of in-kinds on the basis of estimates of the current market rates for similar marketing services and event space in the Commission's market. Professional services are valued and reported at the estimated fair value based on current rates for similar services.

Revenue Recognition

The Commission receives substantially all of its grant and contract revenue from federal, state, and local agencies. The Commission recognizes contract revenue (up to the contract ceiling) from its contracts over a period which represents the service period for certain contracts, or to the extent of expenses, dependent upon the contract.

ECONOMIC DEVELOPMENT COMMISSION OF FLORIDA'S SPACE COAST, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

For the portion of the Commission's revenue derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the commission has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as Deferred Revenue in the statements of financial position and disclosed in Note 5. The Commission received cost-reimbursable grants of \$676,686 and \$1,254,787 that have not been recognized as of September 30, 2024 and 2023, respectively, because qualifying expenditures have not yet been incurred.

The Commission also receives support from private and public organizations. Support from public sector members is recognized as revenue when the funds are appropriated. Private sector support, including investor payments, is recognized as revenue when received by the Commission due to the discretionary nature. The Commission can receive contributions from investors as well as promises to give. Contributions are recorded when assets are received or when an unconditional promise to give is received.

Income Taxes

The Commission is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code (IRC). Therefore, no provision for income taxes has been made in the accompanying financial statements. The Commission files income tax returns in the U.S. federal jurisdiction. The Commission's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

The Commission has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These allocations have been made based on considerations of time and space usage. Although the methods of allocation used are considered reasonable, other methods could be used that would provide different results.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**ECONOMIC DEVELOPMENT COMMISSION OF FLORIDA'S SPACE COAST, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

The Commission has evaluated events and transactions for potential recognition or disclosure in the financial statements through April 11, 2025, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

Change in Accounting Principle

On October 1, 2023, the Commission adopted Accounting Standards Update (ASU) 2016-03, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended (ASC 326), which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss methodology (CECL). The measurement of expected credit losses under CECL is applicable to financial assets measured at amortized cost, including notes and mortgage notes receivables. The adoption of this standard had no impact on the Commission's operating results or financial position.

NOTE 2 LIQUIDITY AND AVAILABILITY

The Commission monitors liquidity regularly through the monthly financial package provided to the board. The Commission's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 3,074,680	\$ 2,683,550
Accounts Receivable	192,463	149,638
Grants Receivable	<u>113,339</u>	<u>137,638</u>
Total Liquid Financial Assets	3,380,482	2,970,826
Internal Designation:		
Board Designated Reserve	<u>(456,256)</u>	<u>(451,118)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 2,924,226</u>	<u>\$ 2,519,708</u>

Funds without donor restrictions have been designated by the board of directors as an operational reserve. The Commission has an operating reserve policy to ensure financial stability. The policy defines a target amount for funding the reserve, which is to be determined annually based on operating costs.

**ECONOMIC DEVELOPMENT COMMISSION OF FLORIDA'S SPACE COAST, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 3 MATCHING REQUIREMENTS

The Commission receives a portion of its support through grants and contracts. Certain grants and contracts require the Commission to provide specified amounts of matching revenue. For each grant or contract, where applicable, the Commission has met all matching requirements. Also, for each grant contract that ended on or before September 30, 2024, no obligation remains outstanding to the funding source.

NOTE 4 RETIREMENT PLAN

The Commission has a defined contribution retirement plan that Employees are eligible for participation in the Plan upon completion of one year of full-time, contemporary service; employer contributions to the plan were equal to 15% of each eligible employee's salary. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain IRC limitations. The Commission contributes 15% of eligible employees' federally taxable wages, with certain exclusions. During the years ended September 30, 2024 and 2023, Plan contributions charged to operations were \$129,643 and \$138,044, respectively.

NOTE 5 DEFERRED REVENUE

Deferred revenue as of September 30, 2024 and 2023, totaling \$468,425 and \$458,425, respectively, consisted of grant amounts invoiced in excess of revenue earned at year-end.

NOTE 6 PROPERTY AND EQUIPMENT

As of September 30, property and equipment consisted of the following:

	2024	2023
Equipment	\$ 18,161	\$ 18,161
Furniture and Fixtures	34,866	34,866
Leasehold Improvements	34,987	34,987
Software	16,925	16,925
Total	104,939	104,939
Less: Accumulated Depreciation and Amortization	78,829	70,402
Total Property and Equipment	\$ 26,110	\$ 34,537

NOTE 7 LINE OF CREDIT

The Commission maintains a business line of credit with a financial institution. At September 30, 2024 and 2023, the line had a principal amount of \$200,000, available for borrowing. The line of credit bears interest at 5.00%. Principal is due on demand and interest is due monthly. The line is secured with a Commercial Security Agreement which defines collateral to include all assets, personal property, and accounts receivable. At September 30, 2024 and 2023, there was no principal amount outstanding.

**ECONOMIC DEVELOPMENT COMMISSION OF FLORIDA'S SPACE COAST, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 8 RELATED PARTIES

The board of directors includes representation of both the private and public service industries as required by Florida statutes. The Commission had transactions with entities related to certain board members for the purpose of membership, marketing, operational, and professional services. During the years ended September 30, 2024 and 2023, total payments to these entities were \$240,400 and \$114,189, respectively. The transactions were approved and authorized in accordance with the Commission's purchasing policies and procedures.

NOTE 9 LEASES

The Commission leases office facilities under a long-term, noncancelable lease agreement. The lease expires in October 2026.

The following tables provide quantitative information concerning the Commission's lease.

	<u>2024</u>	<u>2023</u>
Lease Costs:		
Operating Lease Costs	\$ 92,643	\$ 92,643
Total Lease Costs	<u>\$ 92,643</u>	<u>\$ 92,643</u>
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	\$ 90,895	\$ 87,815
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	-	349,696
Weighted Average Remaining Lease Term - Operating Leases	2.1 Years	3.1 Years
Weighted-Average Discount Rate - Operating Leases	3.9 %	3.9 %

A maturity analysis of annual undiscounted cash flows for lease liabilities as of September 30, 2024, is as follows:

<u>Year Ending August 31,</u>	<u>Operating Leases</u>
2025	\$ 94,076
2026	97,367
2027	<u>8,137</u>
Total Lease Payments	199,580
Less: Imputed Interest	<u>8,267</u>
Present Value of Lease Liabilities	<u>\$ 191,313</u>

ECONOMIC DEVELOPMENT COMMISSION OF FLORIDA'S SPACE COAST, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 10 CONCENTRATIONS OF CREDIT RISK

The Commission maintains cash in banks in amounts that are from time to time in excess of federally insured limits of \$250,000 per bank. The Commission had approximately \$2,445,488 and \$1,962,362 subject to this credit risk at September 30, 2024 and 2023, respectively.

In addition, the Commission has established an account with a financial institution that is certified as "Qualified Public Depositories" (QPDs), as required under the Florida Public Deposits Act. This law requires every qualified public depository to deposit with the state treasurer eligible collateral equal to or in excess of an amount to be determined by the state treasurer and requires the state treasurer to ensure that funds are entirely collateralized throughout the fiscal year. As of September 30, 2024, the Commission's deposits with QPDs totaled \$462,832, of which \$458,425 is held for future payments related to a state grant.

The Commission receives money from public sources, various grantors, and from private sources. There is a concentration of credit risk with respect to the volume of support the Commission receives from these funding sources. Cost-reimbursable grant funding totaling \$1,670,151 and \$2,019,288 was received from two organizations, respectively, for the years ended September 30, 2024 and 2023, which represents 59% and 61% of total public support. Should these support levels decrease, the Commission may be adversely affected.

In addition, there is a significant concentration of risk associated with account and grant receivables from one organization for the years ended September 30, 2024 and 2023, which represents 46% and 45% of total receivables.

Effective July 1, 2012, the Commission was awarded a \$10,000,000 grant from the Florida Department of Economic Opportunity to fund and implement an innovative economic development program, including commercialization of research and development, economic diversification, and job creation. Grant revenue was not recognized in the years ended September 30, 2024 and 2023. The full amount of the grant has been awarded to the Commission by the state, and amounts remaining in deferred revenue related to this grant contract will be recognized as revenue in future fiscal years as earning criteria are met.

NOTE 11 COMMITMENTS AND CONTINGENCIES

Certain contracts and grants received by the Commission are subject to review by grantor agencies. As a result of these reviews, the Commission may be required to repay a portion of grant funds received. To date, reviews performed have not resulted in any request for repayment.



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