

SPACEX
Space Exploration Technologies Corp.
AUDIT OF STATE AWARDS PROGRAM
For the year ended December 31, 2019



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Space Exploration Technologies Corp.
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For the year ended December 31, 2019

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INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE ISSUED IN A PROGRAM-SPECIFIC AUDIT

The Board of Directors
Space Exploration Technologies Corp.

Report on the Schedule of Expenditures of State Financial Assistance

We have audited the accompanying schedule of expenditures of state financial assistance for the Spaceport Improvement Program of Space Exploration Technologies Corp. ("SpaceX") for the year ended December 31, 2019, and the related notes (the financial statement).

Management's Responsibility for the Schedule of Expenditures of State Financial Assistance

Management is responsible for the preparation and fair presentation of this financial statement 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 a financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit.

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 the audit requirements of Chapter 10.650 Rules of the Auditor General. Those standards and the Florida Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

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

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

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the expenditures of state financial assistance for the Spaceport Improvement Program of SpaceX for the year ended December 31, 2019, in accordance with accounting principles generally accepted in the United States of America.

Cam, Riggs & Ingram, L.L.C.

Melbourne, Florida
September 29, 2020



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR A STATE PROJECT; REPORT ON INTERNAL CONTROL OVER COMPLIANCE

The Board of Directors
Space Exploration Technologies Corp.

Report on Compliance for Each Major State Project

We have audited SpaceX's compliance with the types of compliance requirements described in the Florida Single Audit Act that could have a direct and material effect on the Spaceport Improvement Program for the year ended December 31, 2019. SpaceX's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, contracts and grants applicable to its state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for SpaceX's Spaceport Improvement Program based on our audit of the types of compliance requirements referred to above. 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; Chapter 10.650, Rules of the Auditor General. Those standards, the Florida Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on Spaceport Improvement Program occurred. An audit includes examining, on a test basis, evidence about SpaceX's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for SpaceX's Spaceport Improvement Program. However, our audit does not provide a legal determination of SpaceX's compliance.

Opinion on Compliance for Spaceport Improvement Program

In our opinion, SpaceX complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its Spaceport Improvement Program for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of SpaceX is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered SpaceX's internal control over compliance with the types of requirements that could have a direct and material effect on its Spaceport Improvement Program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its Spaceport Improvement Program and to test and report on internal control over compliance in accordance with the Florida Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of SpaceX's 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.

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 the Florida Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Carly Riggs & Ingram, L.L.C.

Melbourne, Florida
September 29, 2020

**Space Exploration Technologies Corp.
Schedule of Findings and Questioned Costs
For the year ended December 31, 2019**

Section I-Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

State Projects

Internal control over major state programs:

- Material weakness identified? _____ yes X no
- Significant deficiency identified? _____ yes X none noted

Type of auditors' report issued on compliance for major State programs: Unmodified

Any audit findings disclosed that are required to be Reported in accordance with Chapter 10.650. _____ yes X none noted

Identification of major state program:

<u>State CSFA Number</u>	<u>State Program or Cluster</u>
55.037	Spaceport Improvement Program

Dollar threshold used to distinguish between type A and B programs was \$448,087 for major state programs.

**Space Exploration Technologies Corp.
Schedule of Findings and Questioned Costs
For the year ended December 31, 2019**

Section II-State Project Findings and Questioned Costs

No matters were reported.

Section III-Other Issues

Summary Schedule of Prior Audit Findings – No Prior Audit Findings.

Space Exploration Technologies Corp.
Schedule of Expenditures of State Financial Assistance
For the year ended December 31, 2019

State Agency, Pass-through Entity, State Program	CSFA No.	Grant/ Contract No.	Expenditures	Transfers to Subrecipients
Florida Department of Transportation				
Passed-through Space Florida				
Spaceport Improvement Program	55.037	17-039	\$ 121,871	\$ -
Spaceport Improvement Program	55.037	18.025	\$ 11,035	-
Spaceport Improvement Program	55.037	C20123	1,360,718	-
Total Expenditures of State Financial Assistance			\$ 1,493,624	\$ -

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of State Assistance (the "Schedule") includes the state activity of SpaceX under programs of the state government for the year ended December 31, 2019. The information in this Schedule is presented 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 10.650, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of SpaceX, it is not intended to and does not present the financial position, changes in net assets, or cash flows of SpaceX.

NOTE 2: SUMMARY OF 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.

NOTE 3: CONTINGENCIES

Grant monies received and disbursed by the Company 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, the Company does not believe that such disallowance, if any, would have a material effect on the financial position of the Company.