



BLUE ORIGIN FLORIDA, LLC
Project-Specific Audit of Spaceport Improvement Program
Required by Chapter 10.650, Rules of the Auditor General of the State of Florida
December 31, 2021
With Independent Auditor's Reports

Blue Origin Florida, LLC
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Blue Origin Florida, LLC:

Report on Schedule of Expenditures of State Financial Assistance

Opinion

We have audited the schedule of expenditures of state financial assistance (the "financial statement") for the Spaceport Improvement Program, passed through Space Florida, of Blue Origin Florida, LLC (the "Company") for the year ended December 31, 2021, and the related notes to the financial statement.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the expenditures of state financial assistance for the Spaceport Improvement Program of the Company for the year ended December 31, 2021, 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 ("GAAS"); 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 of the State of Florida*. Our responsibilities under those standards, and Chapter 10.650 *Rules of the Auditor General of the State of Florida*, are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Company 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.

Responsibilities of Management 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 and for 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.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's 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, *Government Auditing Standards*, and Chapter 10.650 *Rules of the Auditor General of the State of Florida*, 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 statement.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and Chapter 10.650 *Rules of the Auditor General of the State of Florida*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 Company'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 statement.

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.

Withum Smith & Brown, PC

September 12, 2022

Blue Origin Florida, LLC
Schedule of Expenditures of State Financial Assistance
Year Ended December 31, 2021

<u>State Agency, Pass-Through Entity, State Project</u>	<u>CSFA Number</u>	<u>Contract/Grant Number</u>	<u>Total Expenditures</u>
Florida Department of Transportation Passed through Space Florida Spaceport Improvement Program	55.037	FM# 436863-1-94-06	\$ <u>2,942,298</u>
Total Florida Department of Transportation			<u>2,942,298</u>
Total expenditures of state financial assistance			<u>\$ 2,942,298</u>

The Notes to the Schedule of Expenditures of State Financial Assistance are an integral part of this schedule.

Blue Origin Florida, LLC
Notes to the Schedule of Expenditures of State Financial Assistance
December 31, 2021

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (the "Schedule") includes the state grant activity of Blue Origin Florida, LLC for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General of the State of Florida*. Because the Schedule presents only a selected portion of the operations of the Company, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles in the Florida Single Audit Act wherein certain types of expenditures are unallowable or limited as to reimbursement.

3. SUBRECIPIENTS

There were no state awards provided to subrecipients.

REPORT ON COMPLIANCE FOR A MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Blue Origin Florida, LLC:

Opinion on Compliance for the Spaceport Improvement Program

We have audited Blue Origin Florida, LLC's (the "Company") compliance with the types of compliance requirements described in the Florida Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on its Spaceport Improvement Program (the "Project") for the year ended December 31, 2021.

In our opinion, the Company complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Project for the year ended December 31, 2021.

Basis for Opinion on the Spaceport Improvement Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); 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 of the State of Florida*. Our responsibilities under those standards, and Chapter 10.650 *Rules of the Auditor General of the State of Florida*, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Company 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 the Spaceport Improvement Program. Our audit does not provide a legal determination of Company'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 the Spaceport Improvement Program.

Auditor's 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 the Company'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 GAAS, *Government Auditing Standards*, and Chapter 10.650 *Rules of the Auditor General of the State of Florida*, 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 the Company's compliance with the requirements of the Spaceport Improvement Program.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the audit requirements of Chapter 10.650 *Rules of the Auditor General of the State of Florida*, 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 the Company'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 the Company'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 Chapter 10.650 *Rules of the Auditor General of the State of Florida*, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not 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 10.650 *Rules of the Auditor General of the State of Florida*. Accordingly, this report is not suitable for any other purpose.

Withum Smith + Brown, PC

September 12, 2022

Blue Origin Florida, LLC
Schedule of Findings and Questioned Costs
December 31, 2021

I. SUMMARY OF AUDITOR'S RESULTS

1. Internal control over each major State project
 - a. Material weaknesses identified? No
 - b. Significant deficiencies identified? None reported
2. The type of Auditor's report issued on compliance for each major State project Unmodified
3. Any audit findings that are required to be reported under Chapter 10.650, *Rules of the Auditor General of the State of Florida* No
4. Identification of each major State project:

Spaceport Improvement Program – CSFA #55.037
5. Dollar threshold used to distinguish between Type A and Type B programs, for each major State project \$750,000

II. OTHER ISSUES

1. No Management letter is required because there were no findings required to be reported in the management letter.
2. No corrective action plan is required because there were no findings required to be reported under the Florida Single Audit Act.

See Independent Auditor's Report.