

**SPACEX**  
Space Exploration Technologies Corp.  
AUDIT OF STATE AWARDS PROGRAM  
For the year ended December 31, 2021



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**Space Exploration Technologies Corp.**  
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**For the year ended December 31, 2021**



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## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
Space Exploration Technologies Corp.

### **Report on the Audit of the Schedule of Expenditures of State Financial Assistance**

#### ***Opinion***

We have audited the schedule of expenditures of state financial assistance of Space Exploration technologies Corp. (SpaceX) for the year ended December 31, 2021, and the related notes (the schedule).

In our opinion, the accompanying schedule of expenditures of state financial assistance presents fairly, in all material respects, the expenditures of state projects of SpaceX 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; 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedule section of our report.

We are required to be independent of SpaceX 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***

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

### ***Auditors' Responsibilities for the Audit of the Schedule***

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is 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, *Government Auditing Standards*, and the Florida Single Audit Act 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 schedule.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule, 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 schedule.
- 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 SpaceX'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 schedule.

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.

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

Melbourne, Florida  
September 19, 2022



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## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR STATE PROJECTS AND ON INTERNAL CONTROL OVER COMPLIANCE**

The Board of Directors  
Space Exploration Technologies Corp.

### **Report on Compliance for Each Major State Project**

#### ***Opinion on Each Major State Project***

We have audited SpaceX's compliance with the types of compliance requirements described in the Florida Single Audit Compliance Supplement that could have a direct and material effect on its Spaceport Improvement Program for the year ended December 31, 2021.

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 each of its major state projects for the year ended December 31, 2021.

#### ***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 the audit requirements of the Florida Single Audit Act. Our responsibilities under those standards and the Florida Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of SpaceX 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 SpaceX'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 SpaceX'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 SpaceX'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 the Florida Single Audit Act 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 SpaceX's compliance with the requirements of the state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Florida Single Audit Act, 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 SpaceX'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 SpaceX'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 Florida Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of SpaceX'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 Auditors' 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 the Florida Single Audit Act. Accordingly, this report is not suitable for any other purpose.

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

Melbourne, Florida  
September 19, 2022

**Space Exploration Technologies Corp.  
 Schedule of Findings and Questioned Costs  
 For the year ended December 31, 2021**

**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   None noted
- 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 \$750,000 for major state programs.

There are items related to State financial assistance required to be report in a management letter.



**Space Exploration Technologies Corp.  
Schedule of Findings and Questioned Costs  
For the year ended December 31, 2021**

**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, 2021**

State Agency, Pass-through Entity, State Program	CSFA No.	Grant/ Contract No.	Expenditures	Transfers to Subrecipients
<b>Florida Department of Transportation</b>				
Passed-through Space Florida				
Spaceport Improvement Program	55.037	C20031	\$ 4,483,381	\$ -
Spaceport Improvement Program	55.037	C20123	3,309,102	-
Spaceport Improvement Program	55.037	C20245	3,649,013	-
<b>Total Expenditures of State Financial Assistance</b>			<b>\$ 11,441,496</b>	<b>\$ -</b>

**Note 1: BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of State Assistance (the "Schedule") includes the activity of SpaceX under programs of the state government for the year ended December 31, 2021. 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 SpaceX's state assistance programs presented on the accrual basis of accounting.

**Note 3: CONTINGENCIES**

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



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The Board of Directors  
Space Exploration Technologies Corp.

### **Report on the Schedule**

We have audited the schedule of expenditures of state financial assistance of Space Exploration technologies Corp. (SpaceX) for the year ended December 31, 2021, and the related notes (the schedule) and have issued our report thereon dated September 19, 2022.

### **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; the audit requirements the Single Audit Act Chapter 10.650, Rules of the Auditor General.

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; Independent Auditors' Report on Compliance for a State Project and Report on Internal Control over Compliance; and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated September 19, 2022, should be considered in conjunction with this management letter.

### **Additional Matters**

Section 10.654(1)(e), 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 State project amounts that are less than material but warrants the attention of those charged with governance. In connection with our audit, we noted the matters:

#### **2021-001 Quarterly Report Submission**

**Criteria:** The Florida Single Audit Act requires an entity to establish and maintain effective internal controls over compliance. Awards require quarterly activity reports starting with and for the duration of the award. Reports will be submitted no later than 15 days after the end of each quarter for the duration of the grant project.

**Condition:** Quarterly activity reports for quarters one, two, and four were submitted more than 15 days after the end of the quarter.

**Cause of Condition:** Technical teams needed additional time to complete reports.

**Questioned Costs:** None

**Perspective (Context):** We tested all 2021 quarterly reports and noted quarterly reports were late for three quarters.

**Potential Effect of Condition:** SpaceX was not compliant with award terms.

**Recommendation:** Staff should be familiar with all award terms and balance workloads to ensure timely submission of reports. If reports cannot be submitted within the specified time frame, prior approval should be obtained from the grantor.

**Management's Response and Planned Corrective Action:** We will submit reports timely or obtain prior approval from the grantor.

**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, and other granting agencies, the Board of Directors, 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  
September 19, 2022