

**LOCKHEED MARTIN CORPORATION**

Schedule of Expenditures of State Financial Assistance

December 31, 2023

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## **INDEPENDENT AUDITOR’S REPORT**

Management  
Lockheed Martin Corporation  
Orlando, Florida

### **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 for the Qualified Target Industry Tax Refund (the “Project”) of Lockheed Martin Corporation (the “Company”) for the year ended December 31, 2023, administered at the Orlando Campus, and the related notes (the “Schedule”).

In our opinion, the accompanying Schedule presents fairly, in all material respects, the expenditures of state financial assistance for the Project of the Company for the year ended December 31, 2023, 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 standards applicable to Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Schedule 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***

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.

### ***Auditor's 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 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 generally accepted auditing standards, *Government Auditing Standards*, and the Chapter 10.650, *Rules of the Auditor General* 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, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General*, 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 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 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.

**BMSS, LLC**

Huntsville, Alabama  
April 7, 2025

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR A STATE PROJECT  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

Management  
Lockheed Martin Corporation  
Orlando, Florida

**Report on Compliance for the Qualified Target Industry Tax Refund**

***Opinion on Compliance for the Qualified Target Industry Tax Refund***

We have audited Lockheed Martin Corporation’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 the Qualified Target Industry Tax Refund (the “Project”) for the year ended December 31, 2023.

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, 2023.

***Basis for Opinion on the 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 standards applicable to Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Project. Our audit does not provide a legal determination of the 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 Project.

### ***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 generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General* 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 Project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Chapter 10.650, *Rules of the Auditor General*, 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 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 the Chapter 10.650, *Rules of the Auditor General*, 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.

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 the Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

BMSS, LLC

Huntsville, Alabama  
April 7, 2025

**LOCKHEED MARTIN CORPORATION**  
Schedule of Expenditures of State Financial Assistance  
December 31, 2023

<u>State Agency/ State Project</u>	<u>State CSFA Number</u>	<u>Contract/ Grant Numer</u>	<u>Expenditures</u>
<b>State of Florida Department of Economic Opportunity</b>			
<b>Direct Program</b>			
Qualified Target Industry (QTI) Tax Refunds	40.043	SB17-120	\$ 626,500
Qualified Target Industry (QTI) Tax Refunds	40.043	SB19-053	<u>326,667</u>
Total Expenditures of State Financial Assistance			<u><u>\$ 953,167</u></u>

See notes to the Schedule of Expenditures of State Financial Assistance.

**LOCKHEED MARTIN CORPORATION**  
Notes to Schedule of Expenditures of State Financial Assistance  
December 31, 2023

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of state financial assistance (the “Schedule”) includes the state financial assistance activity of Lockheed Martin Corporation (the “Company”) under projects of the State of Florida for the year ended December 31, 2023 that is administered to the Orlando Campus. The information in this Schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General*. Because the Schedule presents only a select portion of the operations of the Company, it is not intended to, and does not, present the financial position, results of operations, or cash flows of the Company.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of Section 215.97, Florida Statutes. Therefore, some amounts presented in the Schedule may differ from amounts presented on or used in the preparation of the Company’s basic financial statements.

**NOTE 3 - CONTINGENCY**

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by the grantor agency as a result of such an audit, any claim for reimbursement to the grantor agency would become a liability of the Company. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable state laws and regulations.

**LOCKHEED MARTIN CORPORATION**  
Schedule of Findings and Questioned Costs  
December 31, 2023

**SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unmodified opinion on the Schedule of Expenditures of State Financial Assistance.
2. No material weaknesses in internal control over financial reporting were disclosed during the audit of the Schedule of Expenditures of State Financial Assistance.
3. No significant deficiencies in internal control over financial reporting were noted during the audit of the Schedule of Expenditures of State Financial Assistance.
4. No instances of noncompliance material to the Schedule of Expenditures of State Financial Assistance were noted during the audit.
5. No material weaknesses or significant deficiencies in internal control over major state projects are reported in the Independent Auditor's Report on Compliance for a State Project and Report on Internal Control Over Compliance.
6. The auditor's report and report on compliance for the Qualified Target Industry Tax Refund for Lockheed Martin Corporation expresses an unmodified opinion on the major state project.
7. There are no audit findings that are required to be reported in accordance with Section 215.97, Florida Statutes, and Chapter 10.650, *Rules of the Auditor General*.
8. The program tested as a major program included the Qualified Target Industry Tax Refund (CFSA Number 40.043).

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS**

The project-specific audit of the schedule of expenditures of state financial assistance did not include an audit of Lockheed Martin Corporation's financial statements in accordance with *Government Auditing Standards*. Accordingly, there are no financial statement findings to be reported.

**STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

This section identifies the audit findings required to be reported by Section 215.97, Florida Statutes (for example, significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs), as well as any abuse findings that are material to the project-specific grant.

There were no audit findings required to be reported in accordance with Section 215.97, Florida Statutes, and there were no prior year audit findings. Accordingly, neither a management letter or a schedule of prior year audit findings is presented.

April 7, 2025

To Management  
Lockheed Martin Corporation  
Orlando, Florida

We have audited the schedule of expenditures of state financial assistance (the “Schedule”) for the Qualified Target Industry Tax Refund (the “Project”) of Lockheed Martin Corporation (the “Company”) for the year ended December 31, 2023 and have issued our report thereon dated April 7, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted audited standards, *Government Auditing Standards* and Chapter 10.650, *Rules of the Auditor General*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our statement of work to you dated January 6, 2025. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Company are described in Note 2 to the program-specific audit. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the Schedule in the proper period.

The Schedule disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the Schedule or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated April 7, 2025.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Company’s Schedule or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as the Company’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the management of the Company and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

BMSS, LLC