

**ENTERPRISE FLORIDA, INC.
AND CONSOLIDATED ENTITIES
(A COMPONENT UNIT OF THE STATE
OF FLORIDA)**

**CONSOLIDATED FINANCIAL
STATEMENTS**

For the Year Ended June 30, 2021

And Report of Independent Auditor

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES

TABLE OF CONTENTS

	Page
REPORT OF INDEPENDENT AUDITOR	1 – 2
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position.....	3
Consolidated Statement of Activities.....	4
Consolidated Statement of Cash Flows.....	5
Notes to Consolidated Financial Statements.....	6 – 26
SUPPLEMENTARY INFORMATION AND OTHER	
REPORTS OF INDEPENDENT AUDITOR	
Consolidating Statement of Financial Position.....	27
Consolidating Statement of Activities.....	28
Schedule of Activities by Consolidated Entity.....	29
Report of Independent Auditor on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	30 – 31
Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.650, Rules of the Florida Auditor General.....	32 – 33
Schedule of Expenditures of Federal Awards and State Financial Assistance.....	34
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.....	35 – 36
Schedule of Findings and Questioned Costs.....	37 – 39
Summary Schedule of Prior Audit Findings.....	40

Report of Independent Auditor

To the Members of the Board of Directors
Enterprise Florida, Inc.
Orlando, Florida:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Enterprise Florida, Inc. and consolidated entities (the "Organization"), a component unit of the State of Florida, which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements 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 Organization'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 consolidated financial statements.

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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles general accepted in the United States of America.

Emphasis-of-matters

As discussed in Note 1 and Note 6, the consolidated financial statements include investments in venture capital partnerships and direct investments valued at \$19,626,112 and \$43,559,753, respectively, representing 24% of net assets at June 30, 2021, whose values have been estimated by the Organization in the absence of readily determinable market values. The Organization's estimates are based on information provided by the venture capital partnerships, the fund manager of the direct investments and a third party valuation specialist. Due to the inherent uncertainty of these estimates, these values may differ significantly from the values that would have been used had a ready market for these investments existed, and the differences could be material. Our opinion is not modified with respect to this matter.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating financial statements and schedule of activities by consolidated entity listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, Rules of the Florida Auditor General, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2021 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



Orlando, Florida
September 27, 2021

CONSOLIDATED FINANCIAL STATEMENTS

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

ASSETS

Cash:		
Operating	\$	29,593,523
Limited as to use		115,642,054
Due from State of Florida		13,014,014
Accounts and loans receivable, net		4,728,965
Loans receivable under the State Small Business Credit Initiative, net		35,228,196
Interest receivable and other assets		2,642,533
Leaseholds, furniture and equipment, net		101,660
Enterprise Florida investments under the Small Business Technology Growth Fund		50,000
Florida Opportunity Fund investments in venture capital partnerships		19,626,112
Florida Opportunity Fund direct investments:		
Fund-of-Fund Program		1,298,300
Clean Energy Investment Program		8,048,745
Florida Venture Capital Program		34,212,708
		<hr/>
Total Assets	\$	264,186,810
		<hr/> <hr/>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts and grants payable	\$	2,561,098
Accrued payroll and related liabilities		1,104,998
Escrow payable		36,167,110
Fund manager fees payable		10,000,000
Deferred revenue		165,491
Loss reserve on loan guarantees		39,967
Due to State of Florida		4,777,810
		<hr/>
Total Liabilities		54,816,474
		<hr/>

Net Assets:

Without donor restrictions		32,784,830
With donor restrictions		176,585,506
		<hr/>
Total Net Assets		209,370,336
		<hr/>

Total Liabilities and Net Assets	\$	264,186,810
		<hr/> <hr/>

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES
CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues:			
State operating assistance	\$ 20,000,000	\$ 7,861,838	\$ 27,861,838
Private investment contributions	1,525,000	-	1,525,000
Event revenue	419,103	176,385	595,488
In-kind contributions	300,283	-	300,283
Management and administration fees	141,375	-	141,375
Net appreciation in fair value of investments	5,087,220	4,873,880	9,961,100
Other income	283,218	1,338,324	1,621,542
Net assets released from restrictions	9,514,386	(9,514,386)	-
Total Revenues	<u>37,270,585</u>	<u>4,736,041</u>	<u>42,006,626</u>
Expenses:			
Program services	21,904,432	-	21,904,432
Supporting services			
General & Administration	8,316,196	-	8,316,196
Fundraising	174,005	-	174,005
Total supporting services	<u>8,490,201</u>	<u>-</u>	<u>8,490,201</u>
Total Expenses	<u>30,394,633</u>	<u>-</u>	<u>30,394,633</u>
Change in Net Assets Before Income			
Tax Expense	6,875,952	4,736,041	11,611,993
Income tax expense	<u>9,024</u>	<u>-</u>	<u>9,024</u>
Change in Net Assets	6,866,928	4,736,041	11,602,969
Net Assets, Beginning of Year	<u>25,917,902</u>	<u>171,849,465</u>	<u>197,767,367</u>
Net Assets, End of Year	<u>\$ 32,784,830</u>	<u>\$ 176,585,506</u>	<u>\$ 209,370,336</u>

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2021

Cash Flows From Operating Activities:

Increase in net assets	\$ 11,602,969
Adjustments to reconcile increase in net assets to net cash used in operating activities:	
Depreciation	129,683
Loss on disposal of assets	695
Change in value of investments	(10,630,615)
Changes in:	
Due from State of Florida	(1,142,006)
Accounts and loans receivable	466,731
Interest receivable and other assets	(37,918)
Accounts and grants payable	238,046
Accrued liabilities	147,124
Escrow payable	(6,288,625)
Fund manager fees payable	7,894,509
Due to State of Florida	(9,016)
Deferred revenue	75,016
Net Cash Provided by Operating Activities	<u>2,446,593</u>

Cash Flows From Investing Activities:

Proceeds from investment distributions	22,071,421
Proceeds from loan distributions	168,430
Purchases of equipment	(41,300)
Funding of loans receivable	(1,023,898)
Funding of fund of funds investments in venture capital partnerships	(575,622)
Net Cash Provided by Investing Activities	<u>20,599,031</u>

Net Increase in Cash

23,045,624

Cash, Beginning of Year

122,189,953

Cash, End of Year

\$ 145,235,577

Classified in Consolidated Statement of Financial Position:

Cash - operating	\$ 29,593,523
Cash - limited as to use	115,642,054

Cash, End of Year

\$ 145,235,577

Supplemental schedule of noncash investing activities:

Conversion of loan to equity	\$ 530,000
Conversion of accrued interest to equity	431,130
Net conversions of loan and accrued interest to equity	<u>\$ 961,130</u>

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies

Organization

Enterprise Florida, Inc. ("Enterprise Florida") is a not-for-profit corporation created by Chapter 288, Florida Statutes and incorporated on February 18, 1993 as a public-private partnership responsible for leading Florida's statewide economic development efforts. Its mission is to facilitate job growth for Florida's businesses and citizens leading to a vibrant statewide economy. Enterprise Florida is a discretely presented component unit of the State of Florida (the "State"), included in state-wide financial statements, as it is legally separate but has a significant relationship with the State of Florida. All revenues in excess of expenditures remain committed to further the purpose of Enterprise Florida.

The accompanying consolidated financial statements include the accounts of Enterprise Florida and organizations controlled by Enterprise Florida (collectively, the "Organization"), including Florida Sports Foundation Inc. (the "Foundation"), Team Florida Marketing Partnership, LLC ("Team Florida") and Florida Opportunity Fund (comprised of Florida Opportunity Fund, Inc. ("FOF") and its wholly-owned subsidiary, FOF PA II, Inc.). All significant intercompany accounts and transactions have been eliminated.

The Foundation promotes and develops sports related industries, amateur sports activities, and physical fitness programs. This non-profit corporation merged into the Organization on August 29, 2011 pursuant to legislation contained in Florida Statute 288.901, and now comprises the Sports Development unit of Enterprise Florida. Enterprise Florida is the Foundation's sole member.

FOF was created on July 13, 2007 by Enterprise Florida pursuant to the Florida Capital Formation Act under Florida Statutes 288.9621-288.9625. Enterprise Florida facilitated the creation of FOF, is its sole member and controls its majority voting interest through appointment of its Board of Directors. Enterprise Florida also provided FOF's initial capital through funds appropriated by the State of Florida. FOF is not a public corporation or instrumentality of the State.

FOF's initial purpose was to provide seed capital and early stage venture equity capital for emerging companies in the State, including, without limitation, enterprises in life sciences, information technology, advanced manufacturing processes, aviation and aerospace, and homeland security and defense, as well as other strategic technologies. Subsequent to initial capital funding, FOF has also been empowered by the Statute to make direct investments, including loans, in individual businesses and infrastructure projects. FOF receives and invests capital for the Clean Energy Investment Program and for the Florida Venture Capital Program under the State Small Business Credit Initiative.

FOF PA II, Inc. was incorporated on August 23, 2012 as a for-profit corporation for which FOF is the sole shareholder. FOF PA II, Inc. was established to hold an investment in the Florida Venture Capital Program for which income is passed to the investor.

Team Florida was established as a separate Limited Liability Company (LLC) on February 23, 2015, with separate legislative grant funding to create marketing programs that promote the State of Florida for trade and investment. Enterprise Florida is Team Florida's sole member.

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

In accordance with 2011 legislation, Enterprise Florida also has operating relationships with Visit Florida, through contracting for tourism-related marketing services and governing board appointments, and with Space Florida, where governmentally appointed members of Enterprise Florida's Board of Directors also serve as Directors of Space Florida.

Enterprise Florida operates through the following units:

- **Administration** – Provides all administrative services to the Organization such as the executive office, human resources, contracts and compliance, information technology and accounting. It administers special capital programs such as those of FOF and the State Small Business Credit Initiative.
- **Business Development** – Responsible for coordinating national and international business development by managing projects to increase capital investment and jobs in Florida. It facilitates the most effective use of business incentives and assists existing businesses in expanding both jobs and capital investment.
- **International Trade and Development** – Focuses on international trade programs to expand the number of Florida companies exporting Florida products and services. It also manages key international relationships to improve Florida's international business and global reputation in the following countries: Brazil, Canada, China, Czech Republic, Germany, Israel, Japan, Mexico, France, South Africa, Spain, and the United Kingdom.
- **Information and Communications** – Manages all corporate communications and coordinates events for marketing and promotion of Florida for trade and investment.
- **Marketing and Branding** – Establishes and builds a pro-business image for the state by identifying and marketing Florida to targeted industry decision makers and business leaders. It develops, coordinates, and implements a statewide strategic plan for Florida brand recognition.
- **Sports Development** – Works to strengthen the economic impact of sports events through grants as well as identifying business expansion or development opportunities linked to sports related activities. It also develops, fosters and coordinates services and programs for amateur sports through the Sunshine State Games and the Florida Senior Games State Championships.
- **Strategic Partnerships** – Maintains and enhances relationships with primary partners and stakeholders to strengthen support of economic development initiatives and increase job growth. It maintains and expands investor support and Board participation. It assists communities by increasing their competitiveness when vying for job creation projects. It retains and maximizes opportunities to enhance the Department of Defense investment in Florida through management of defense grant programs and the Florida Defense Support Task Force activities.
- **Tourism Marketing** – Works to promote travel and drive visitation to and within Florida. This role is contracted with Visit Florida, which serves as the sole statewide destination marketing organization representing the entire Florida tourism industry.

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Presentation

The accompanying consolidated 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. Accordingly, net assets of the Organization and changes therein are classified and reported as net assets with donor restrictions (see Note 10) or net assets without donor restrictions. In addition, net assets of consolidated subsidiaries which are more limited than the broad scope of the consolidated entity are presented as net assets without donor restrictions.

Cash

Cash includes the operating accounts of Enterprise Florida and cash limited as to use. The Organization places its cash on deposit with financial institutions in the United States, primarily through interest bearing repurchase agreements. The Federal Deposit Insurance Corporation ("FDIC") covers \$250,000 for substantially all depository accounts. As of June 30, 2021, the Organization had \$144,227,005 which exceeded these insured amounts; \$64,201,263 of which was FOF deposits. Bank deposits include \$36,167,110 held for the State of Florida. Management believes the associated risk is minimized by placing such assets with quality financial institutions. The Organization has not experienced any losses on such accounts.

Cash Limited as to Use

In order to ensure compliance with grant documents and/or performance contracts, Enterprise Florida has limitations on funds held in escrow and for grant funds received in advance of expenditure. Certain program guidelines require that funds be deposited into separate bank accounts, including the Microfinance Loan Guarantee Program, SSBCI Program, and escrow agreements with the State of Florida. In addition, cash for FOF, the Foundation, and Team Florida are limited for specific use by each entity in accordance with their designated purpose and contractual arrangements.

Loans Receivable

Management assesses the potential for loan loss reserves and contingencies based on quarterly reporting provided by the financial institution responsible for collecting payments, reporting interest, and handling defaults related to the loans and guarantees. The quarterly reporting provides information to management on the remaining loan and guarantees outstanding and any delinquent accounts, if applicable, at each quarter's end.

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

Leaseholds, Furniture and Equipment

Leaseholds, furniture and equipment are stated at cost, if purchased, or estimated market value at date of receipt, if acquired by gift. Depreciation is provided using the straight-line method over the estimated economic useful lives of the related assets as follows:

Leasehold improvements	5-7 years
Office furniture	5-7 years
Office equipment	5 years
Computers and software	3-5 years

Additions or improvements in excess of \$500 for the Foundation and \$1,000 for the other consolidated entities, with an estimated useful life exceeding a year, are capitalized. Repairs and maintenance costs are charged to expense as incurred.

Investments in Venture Capital Partnerships

FOF has investments in eight venture capital funds, which in turn directly invest in business enterprises. These investments are stated at estimated fair value based on net asset value information received from the limited partnerships.

The Small Business Technology Growth Fund has an investment in an investment group, which in turn directly invests in business enterprises. This investment is stated at fair value based on information received from the investment group.

Direct Investments

Enterprise Florida's direct investments from the Small Business Technology Growth Fund and FOF's direct investments from the Fund of Funds Program, the Clean Energy Investment Program and from the Florida Venture Capital Program are presented in the accompanying consolidated financial statements at estimated fair value, as determined by management based on information provided by the investment fund manager and an independent valuation firm. The values assigned to direct investments are based on available information and do not necessarily represent amounts that might ultimately be realized. Such amounts depend on future circumstances and cannot reasonably be determined until the individual investments are actually liquidated. Direct investments are in one privately held company of the Small Business Technology Growth Fund, in one privately-held company of the Fund of Funds Program, in four privately-held companies of the Clean Energy Investment Program and in nine privately-held companies of the Florida Venture Capital Program. The nature of these investments provides the potential for risk of loss due to most being in early stages of operations. Fair values of direct investments are initially based on the price paid for the direct investments by FOF, adjusted as appropriate for indications of change in fair value, such as subsequent changes in prices paid for company stock, significant changes in company performance from that expected, estimated liquidation values considering preferred liquidation preferences and changes in industry comparable data, such as revenue multiples of similar companies and prices paid for similar companies through mergers and acquisitions.

Compensated Absences

Vacation pay is accrued as earned by employees. Unused accumulated vacation pay, for which \$532,850 is included in accrued payroll and related liabilities on the consolidated statement of financial position at June 30, 2021, is paid upon an employee's separation from service, up to a maximum of 320 hours.

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

Deferred Revenue

Enterprise Florida records deferred revenue associated with advance receipts for sponsored events. Deferred revenue was \$165,491 at June 30, 2021.

State Operating Assistance Revenue

State operating assistance revenue represents State appropriations for the Organization's operating funds, consisting of the following: unconditional promises to give that are available for unrestricted use; unconditional promises to give that are temporarily restricted for program use; and pass-through grants administered by Enterprise Florida that are recognized as revenue and expense when pass-through sub-recipients incur associated costs. State operating assistance revenue with restriction is presented as released to without restriction upon satisfaction of the restriction.

State Small Business Credit Initiative Revenue

During fiscal year 2012, Enterprise Florida began to receive funding under an agreement (the "DEO Agreement") with the Florida Department of Economic Opportunity ("DEO") for the State Small Business Credit Initiative ("SSBCI"). The SSBCI facilitates institutional lending and venture capital investing benefiting small businesses, so long as the proposed activities are consistent with the purpose of the funding. The SSBCI is directly funded by the DEO with total appropriations of \$97,662,349 from a contract awarded by DEO through Title III of the Small Business Jobs Act of 2010. Of this amount, \$89,119,107 has been allocated to Enterprise Florida, including \$45,436,207 to fund the Small Business Loan Program administered by Enterprise Florida, \$41,907,900 passed through to FOF for the Florida Venture Capital Program and \$1,775,000 in administrative funding.

SSBCI revenue represents restricted use funding received through the SSBCI funding agreement to support investing and loan activity and administrative costs.

Effective January 25, 2021, Enterprise Florida and the DEO entered into a new agreement to continue the Enterprise Florida-administered SSBCI programs. This agreement will remain in effect until terminated by mutual agreement or if EFI fails to comply with the material terms and conditions of this Agreement.

Private Investment Contributions

Private investment contributions provided to Enterprise Florida are recognized as revenues in the period received. Private investment contributions provided to Enterprise Florida are generally available for use without restriction.

In-kind Contributions

Donated goods and services are recorded at their fair value at the date of receipt by the Organization. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. Contributions of those services not meeting specified criteria are not recorded in the consolidated financial statements. In-kind contributions recognized in the consolidated statement of activities for the year ended June 30, 2021 consisted primarily of office spaces, advertising and publications used for promoting business and sports development in the State.

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

Advertising Costs

Advertising costs are expensed when incurred and totaled \$3,653,605 for the year ended June 30, 2021. Advertising costs are included in program and supporting expenses in the consolidated statement of activities.

Income Tax Status

Enterprise Florida, Florida Sports Foundation, and FOF are recognized by the Internal Revenue Service ("IRS") as exempt from federal income tax on related income under Internal Revenue Code ("IRC") Section 501(a), consisting of organizations described in Section 501(c)(3). Team Florida Marketing Partnership, LLC, as a single member LLC, is a disregarded entity for tax purposes. These entities are also exempt from state income taxes on related income pursuant to Chapter 220.13 of the Florida Statutes. Therefore, a provision for income taxes has not been included for these entities in the accompanying consolidated financial statements except for FOF, which includes a tax provision for FOF PA II as noted in the subsequent paragraph.

FOF PA II, Inc. is a for-profit corporation subject to income tax related to investments in pass-through entities and, accordingly, is responsible for income tax on investee taxable income based on its ownership percentage. Income tax expense of \$9,024 has been recognized in the consolidated statement of activities for the year ended June 30, 2021 for tax on pass-through income from the partnership interest. Income tax expense has not been recognized for appreciation on the value of this investment due to an option agreement that provides FOF the ability to purchase the partnership interest from FOF PA II at cost.

The Organization's policy is to record a liability for any tax position taken that is beneficial to the Organization, including any related interest and penalties, when it is more likely than not the position taken by management will be overturned by a taxing authority upon examination. Management believes there are no such positions as of June 30, 2021 and, accordingly, no liability has been accrued.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported time period. Actual results could differ from those estimates.

Effective July 1, 2020, the Organization adopted the resource provider provisions of Accounting Standards Update ("ASU") 2018-08 - *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, effective for contribution agreements entered into or otherwise completed on or after July 1, 2020. The primary effect of adopting this standard is for the Organization to prospectively record contributions made when barriers are overcome, such as the occurrence of events for which Florida Sports Foundation contributions are made.

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 2 - Cash Limited as to Use

The Organization's cash limited as to use consist of the following as of June 30, 2021:

Enterprise Florida Escrow	\$ 36,167,110
Programs administered by Enterprise Florida	
State Small Business Credit Support Initiative	218,813
Microfinance Loan Guarantee	4,777,810
FL Defense Support Task Force	2,831,046
Florida Export Diversification and Expansion	402,471
Florida International Business Expansion Initiative	367,759
Military Base Protection	27,935
Small Business Technology Growth Fund	528,364
Pass through grants administered by Enterprise Florida	
Funds restricted for grants programs	269,227
Total Enterprise Florida	<u>45,590,535</u>
Florida Opportunity Fund, Inc.	64,701,263
Florida Sports Foundation, Inc.	4,164,290
Team Florida Marketing Partnership, LLC	1,185,966
	<u>\$ 115,642,054</u>

Note 3 - Due From State of Florida

Amounts due from State of Florida consist of \$13,014,014 at June 30, 2021 under various contracts administered by the DEO, including \$ 7,545,282 receivable under the SSBCI programs.

Note 4 - Accounts and Loans Receivable

Accounts and loans receivable, net are presented at cost, including \$28,961 of accounts receivable, net \$50,000 of reserves, and loans receivable of \$3,930,987 and \$595,840 under the Clean Energy Investment Program and the Florida Venture Capital Program, respectively. The Organization also has loans receivable of \$35,566,612, net \$338,416 of reserves, under its SSBCI Program, which generally have repayment terms ranging from 6 months to 3 years.

Interest income is recorded on the accrual basis based on applicable interest rates and principal outstanding, and is included in other income for the year ended June 30, 2021.

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 4 - Accounts and Loans Receivable (continued)

Reserves for Losses

Management has evaluated all accounts and loans receivable for potential losses and all guarantees for the potential of recording an associated loss reserve based on the contingency of ultimate payment being more likely than not. Based on this analysis, management has determined that a loss reserve as detailed in the following table is appropriate at June 30, 2021:

Accounts and loans receivable	\$	935,035
SSBCI Loan Participation Program		338,416
Micro Loan Guarantee Program		39,967
Total Loss Reserve as of June 30, 2021	\$	<u>1,313,418</u>

Note 5 - Leaseholds, Furniture and Equipment

Leaseholds, furniture and equipment consist of the following as of June 30, 2021:

Leasehold improvements	\$	216,506
Office furniture		415,035
Computers and equipment		1,009,508
		<u>1,641,049</u>
Less: accumulated depreciation		(1,539,389)
	\$	<u>101,660</u>

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 6 - Investments in Venture Capital Partnerships and Direct Investments

Investments in venture capital partnerships and direct investments are provided through three programs administered through FOF, including a Fund of Funds program and two direct investment programs.

Investments in Venture Capital Partnerships

The Fund of Funds Program, with \$44,741,739 of net assets, includes \$19,626,112 of investments in venture capital partnerships and \$1,298,300 in direct investments at June 30, 2021, all initially funded by \$29,500,000 of State appropriations subject to Florida Statute 288.9624 (the "Statute"). FOF may invest Fund of Funds Program proceeds in seed and early stage venture capital/angel funds, as well as direct investments, including loans, in individual businesses and infrastructure projects, focusing on opportunities in Florida.

FOF investments in venture capital partnerships consist of eight limited partnerships as presented in the accompanying consolidated financial statements at estimated fair value based on net asset value per share. Each of the venture capital partnership investments made under the FOF's Fund-of-Funds Program are limited life limited partnerships (or other limited liability vehicles) that provide minimal redemption opportunities. Liquidity is achieved from the partnership through distributions in the form of cash and stock.

The term of each limited partnership is stated in its limited partnership agreement, as amended, and ranges from approximately 9 to 12 years, including any provisions for extensions. As of June 30, 2021, the Fund-of-Funds venture capital partnership investments range in age from approximately 2 to 11 years and the estimated remaining life of such investments range from approximately 3 months to 8 years. Each venture capital partnership investment term and estimated remaining life has been calculated based on its limited partnership agreement, including any term extensions effective as of June 30, 2021. A Fund-of-Funds limited partnership investment may liquidate before its stated termination date or may require additional term extensions to complete its liquidation in an orderly manner; investment term extensions are implemented in accordance with the respective limited partnership agreement for each investment.

As permitted, fair value for each Fund-of-Funds investment is determined by FOF based on its proportionate share of the underlying fair value of the net assets of the limited funds, derived from FOF's ownership percentage and audited financial statements provided by each investee. The audited financial statements provided by each investee are reviewed and net asset values are adjusted quarterly by management.

Direct Investments

Fund of Funds Program

In 2018 the Fund of Funds Program made its first direct investment in a company. For the year ended June 30, 2021, expenses included annual fund manager fees of \$1,091,476 for the fund manager fees related to venture capital/angel funds. The program accrued a fund manager fee for direct investments of (0.5% per quarter of the amount invested) beginning the quarter after the payment of funds for any given investments. FOF also incurred a deal by deal fund manager success fee equal to 30% of the cumulative distributions that exceed invested capital for any direct investment.

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 6 - Investments in Venture Capital Partnerships and Direct Investments (continued)

The Clean Energy Investment Program

FOF entered into an agreement (the "Clean Energy Agreement") with the Florida Department of Agriculture and Consumer Services, Office of Energy ("DACS-OOE"), successor to the Florida Energy and Climate Commission, for the Clean Energy Investment Program. The Clean Energy Investment Program was created during fiscal 2010 and targets qualified Florida businesses with direct investments in three primary areas of focus: 1) facility and equipment improvement with energy-efficient and renewable energy products, 2) acquisition or demonstration of renewable energy products and 3) process improvement of existing production, manufacturing, assembly or distribution of operations to increase energy efficiency or reduce consumption. The direct investments may consist of debt and other instruments. The Clean Energy Investment Program is funded through a grant by the State of Florida, as sub-recipient to the United States Department of Energy, in the amount of \$36,089,000. All of these funds have been received and recorded as capital contributions revenue since inception by FOF. The Clean Energy Investment Program has \$27,462,705 of net assets, including \$8,048,745 of direct investments in five privately held companies, at June 30, 2021.

Clean Energy Investment Program expenses include annual fund manager fees of \$1,082,670 (3% of program funding), which were accrued until program returns were available to pay accrued fees. FOF also incurred a deal-by-deal fund manager success fee equal to 30% of the cumulative distributions that exceed invested capital for any investment, amounting to \$1,625,101 payable for the year ended June 30, 2021.

The Clean Energy Agreement is set to terminate on March 31, 2025; however, DACS-OOE has the option to renew on the same terms and conditions for an additional five year term.

Florida Venture Capital Program

Enterprise Florida has an agreement (the "DEO Agreement") with the Florida Department of Economic Opportunity (the "DEO") for the State Small Business Credit Initiative ("SSBCI"). The SSBCI was created by Congress, and funds were appropriated to the United States Department of the Treasury to be allocated and disbursed to States that have created capital programs for small businesses. The United States Department of the Treasury allocated funds to the State of Florida which then funded the Florida Venture Capital Program through the DEO as an agency of the State of Florida. The Florida Venture Capital Program utilizes SSBCI to provide direct investments in Florida businesses. Enterprise Florida has passed through \$41,907,900 of SSBCI funding to FOF. Net assets of the Florida Venture Capital Program amounted to \$51,305,279, of which \$34,212,708 consisted of direct investments in fifteen privately held companies at June 30, 2021.

Florida Venture Capital Program program services expenses include legal, accounting, insurance, other necessary expenses and an annual fund manager fee of \$1,257,237 (3% of program funding), which were accrued until program returns were available to pay accrued fees. FOF also incurred a deal by deal fund manager success fee equal to 30% of the cumulative distributions that exceed invested capital for any investment, amounting to \$2,572,836 for the year ended June 30, 2021, which, in addition to \$64,621 from prior years, is payable.

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 6 - Investments in Venture Capital Partnerships and Direct Investments (continued)

Fair Value Hierarchy

The fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value, provides three levels of inputs used to measure fair value. Because of the inherent uncertainty of valuations, estimated fair values may differ significantly from the values that would have been used had a ready market for these investments existed, and differences could be material.

The organization classifies its investments into a hierarchical disclosure framework as follows:

Level I - Securities traded in an active market with available quoted prices for identical assets as of the reporting date.

Level II - Securities not traded on an active market but for which observable market inputs are readily available or Level I securities where there is a contractual restriction as of the reporting date.

Level III - Securities not traded in an active market and for which no significant observable market inputs are available as of the reporting date.

The cost basis of the Organization's Fund of Funds limited partnerships, Fund of Funds direct investments, Clean Energy direct investments, Florida Venture Capital Fund direct investments, and Small Business Technology Growth Fund direct investments was \$13,706,332, \$2,000,000, \$10,951,259 and \$24,631,620, and \$50,000, respectively, as of June 30, 2021. The following table summarizes the valuation of the Organization's investments, measured at fair value as of June 30, 2021, based on the level of input utilized to measure fair value:

	Fair Value
Level I	\$ -
Level II	-
Level III	43,609,753
Total investments at fair value	43,609,753
Investments measured at NAV	19,626,112
Total investments	<u>\$ 63,235,865</u>

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 6 - Investments in Venture Capital Partnerships and Direct Investments (continued)

The following table presents a reconciliation of the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level III):

	SBTGF Investments	Fund of Funds Direct Investments	Clean Energy Direct Investments	FLVCP Direct Investments
Opening Balance at 7/1/2020	\$ 487,500	\$ 503,100	\$ 14,155,362	\$ 36,705,087
Unrealized gains or losses included in changes in net assets	(137,500)	795,200	(1,085,681)	2,739,932
Conversion of loan	-	-	961,130	-
Sales proceeds	(300,000)	-	(5,982,066)	(5,232,311)
Ending Balance at 6/30/2021	<u>\$ 50,000</u>	<u>\$ 1,298,300</u>	<u>\$ 8,048,745</u>	<u>\$ 34,212,708</u>
The amount of total gains (losses) for the year included in changes in net assets attributable to assets still held at the reporting date	<u>\$ (137,500)</u>	<u>\$ 795,200</u>	<u>\$ (421,680)</u>	<u>\$ 6,891,689</u>

The Organization relies on the fund manager and an independent valuation firm to assess the fair value of the Organization's Level III direct investments. Although management is responsible for overseeing the Organization's valuation processes and procedures, the fund manager and the independent valuation firm are responsible for conducting periodic reviews of fair value for each direct investment and for presenting results of fair value assessments to management.

Level III direct investment valuations determined by the Organization, with assistance of the fund manager and the independent valuation firm, are required to be supported by market data, industry accepted third-party valuation models, prior company financing or other methods deemed appropriate.

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 6 - Investments in Venture Capital Partnerships and Direct Investments (continued)

When quantitative unobservable inputs are used in the valuation of Level III investments, the valuation technique, the unobservable input, and the quantitative amount used in the valuation require disclosure. The Organization had one investment in the Fund of Funds Program, three investments in the Clean Energy Investment Program and eleven investments in the Florida Venture Capital Program for which quantitative unobservable inputs were used in measuring the fair value at June 30, 2021, as follows:

Asset	Fair Value	Valuation Technique	Unobservable Input(s)	Valuation Multiple(s)
Fund of Funds - Direct Investment	\$ 1,298,300	Market Approach	Revenue/EBITDA	2.0x/10.0x
CEIP - Direct Investment	\$ 5,085,901	Market Approach	Revenue/EBITDA	6.0x/25.0x
CEIP - Direct Investment	\$ 1,761,900	Market Approach	Revenue	2.25x
FLVCP - Direct Investment	\$ 3,225,700	Market Approach	Revenue/EBITDA	6.0x/25.0x
FLVCP - Direct Investment	\$ 1,561,000	Market Approach	Revenue/EBITDA	3.5x/25.0x
FLVCP - Direct Investment	\$ 7,912,000	Market Approach	Revenue	6.0x
FLVCP - Direct Investment	\$ 759,399	Market Approach	Revenue	4.5x
FLVCP - Direct Investment	\$ 960,000	Market Approach	Revenue/EBITDA	1.25x/8.5x
FLVCP - Direct Investment	\$ 900,000	Market Approach	Revenue	1.2x
FLVCP - Direct Investment	\$ 3,892,000	Market Approach	Revenue	6.5x
FLVCP - Direct Investment	\$ 14,870,000	Market Approach	Revenue/EBITDA	4.0x/12.5x

In cases where both a revenue multiple and an EBITDA multiple are listed above, the fair value is determined by applying equal weighting to both valuation inputs. The significant unobservable inputs noted above for fair value measurement of the Organization's investments are utilized to determine the underlying asset's enterprise value, which provides a measurement of fair value. Therefore, significant increases (decreases) in revenue or EBITDA, or related multiples, used would result in a higher (lower) fair value measurement.

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 7 – Fund Manager Fees Payable

Fund manager fees payable consist of the following at June 30, 2021:

FOF Fund of Funds Program

The annual fund manager fee was initiated on September 16, 2008, totaling \$6,068,082 through June 30, 2021, of which \$4,415,158 has been paid and \$1,652,924 is payable at June 30, 2021. Success fees in the amount of \$518,407 were incurred for the Fund of Funds Program for the year ended June 30, 2021 and are payable at year end.

FOF Clean Energy Investment Program

The Clean Energy Investment Program annual fund manager fee of 3% was initiated on May 3, 2010, totaling \$12,180,039 through June 30, 2021, of which \$10,556,031 has been paid and \$1,624,008 is payable, based on the allowable cap specified in the Clean Energy Agreement and the closeout of investments that had cumulative distributions in excess of invested capital. Success fees equal to 30% of the cumulative distributions that exceed invested capital for any investment, were \$1,625,101 for the year ended June 30, 2021, and are payable at year end.

FOF Florida Venture Capital Program

The Florida Venture Capital Program annual fund manager fee was initiated on November 18, 2011, totaling \$12,091,863 through June 30, 2021, of which \$10,149,760 has been paid and \$1,942,103 is payable. Success fees equal to 30% of the cumulative distributions that exceed invested capital for any investment were \$2,572,836 for the year ended June 30, 2021, and are payable at year end, together with \$64,621 of success fees from fiscal year 2020.

FOF terminated the services of its fund manager effective June 30, 2021. All formerly contingent obligations have been settled and recorded as fund manager fees payable.

Note 8 – Escrow Payable

The State has awarded a total of \$225,566,527 to eighty-eight companies under the State's incentive programs through June 30, 2021. These awards were intended to fund business projects to further job creation. DEO, along with the consent of these companies, appointed Enterprise Florida as the escrow agent to hold these funds for disbursement to the companies in accordance with the State's incentive programs.

Through June 30, 2021, Enterprise Florida paid \$122,708,816 to sixty-two companies that certified to DEO they had met their contract requirements under the program. These payments included payments to companies that received multiple incentives. Enterprise Florida has returned \$66,690,601 to DEO for thirty-seven companies that were not able to complete their program requirements or had excess funds that were required to be returned. Enterprise Florida recorded the remaining \$36,167,110 as an escrow payable at June 30, 2021.

Note 9 – Due to State of Florida

Due to State of Florida includes \$0 of interest on restricted cash that contractual arrangements require to be paid back to the State and \$4,777,810 of funding due to the State under the Microfinance Guarantee Program.

During fiscal 2015, the Florida Department of Economic Opportunity (the "DEO") was directed by the Florida Legislature through the Florida Microfinance Act to create the Microfinance Guarantee Program (the "Microfinance

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 9 – Due to State of Florida (continued)

Program”). As directed under Florida Statute 288.9935, the DEO contracted with Enterprise Florida to administer the Microfinance Program, and Enterprise Florida received \$4,825,000 in funding from the DEO. Of this amount, \$25,000 was allocated to promote the Microfinance Program, while the remaining \$4,800,000 was allocated to Enterprise Florida to issue loan guarantees.

As Enterprise Florida is administering the Microfinance Program as an independent contractor of the DEO, unspent funding for the program of \$4,837,268 is payable back to the DEO upon termination of the program.

Note 10 – Net Assets with Donor Restrictions

The Organization classifies Enterprise Florida net assets as donor restricted, subject to expenditure for special purpose of passage of time based on agreements with the State, wherein funding may not be utilized for the general purpose of Enterprise Florida, and classifies net assets of FOF, the Foundation, and Team Florida as donor restricted, subject to expenditure for special purpose of passage of time, since their use is specifically limited for the purposes of those consolidating entities. Net assets with donor restrictions consist of the following as of June 30, 2021:

Enterprise Florida:

State Small Business Credit Initiative	\$ 43,042,728
Florida Defense Support Task Force	2,929,182
Florida Export Diversification and Expansion	1,083,615
Small Business Technology Growth Fund	554,614
Florida International Business Expansion Initiative	369,509
Military Base Protection	27,935
Total Enterprise Florida Net Assets with Donor Restrictions	<u>48,007,583</u>
Florida Opportunity Fund, Inc.	123,509,723
Florida Sports Foundation, Inc.	4,017,001
Team Florida Marketing Partnership, LLC	1,051,199
Total Net Assets with Donor Restrictions	<u>\$ 176,585,506</u>

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 11 – State Operating Assistance Revenue

Performance contracts and pass-through grants with the state of Florida for the year ended June 30, 2021 are as follows:

Operating funds provided to Enterprise Florida, Inc.	\$ 20,000,000
Pass-through grants administered by Enterprise Florida, Inc:	
Visit Florida	8,205,162
Total Pass-through grants	<u>8,205,162</u>
Less: Pass-through grants not presented as activities	<u>(8,205,162)</u>
Total unrestricted state operating assistance	<u>20,000,000</u>
Other programs administered by Enterprise Florida, Inc.:	
Florida Export Diversification and Expansion Program	1,000,000
Florida Defense Support Task Force - Administration	186,329
Florida Defense Support Task Force - Programs	1,737,727
	<u>2,924,056</u>
Florida Sports Foundation, Inc. - Programs	1,700,000
Florida Sports Foundation, Inc. - Tag Revenue	3,237,782
	<u>4,937,782</u>
Total Net Assets with Donor Restriction Subject to Expenditure for Specified Purpose or Passage of Time	<u>7,861,838</u>
Total State operating assistance revenue	<u>\$ 27,861,838</u>

Pass-through grants amounting to \$8,205,162 have been excluded from recognition in the consolidated statement of activities because they represent agency transactions which have been line item appropriated in the State budget.

The contract with the state of Florida requires Enterprise Florida to return all interest income earned on state pass-throughs and grant funds to the state of Florida. As these funds must be returned to the State, Enterprise Florida does not record the revenue associated with these earnings. Instead, a liability to the State is recorded as interest is earned.

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 12 - Retirement Plans

Enterprise Florida sponsors a 401(K) defined contribution retirement plan (the "Plan") covering all its employees that are age 21 or older. It is subject to the provisions of the Employee Retirement Security Act of 1974 ("ERISA").

Participants may contribute up to 100% of compensation, as defined in the Plan, but may not exceed the maximum amount allowable by the Internal Revenue Code ("IRC"), which is currently \$19,500. Enterprise Florida's contributions to the Plan beyond the 3% safe harbor are discretionary. Currently Enterprise Florida matches 25% of the first 4% of wages the employee contributes and makes an additional contribution equal to 10% of employee wages (3% of which is designated as safe harbor and is not discretionary). Investments of contribution are self-directed by participants within investments provided for by the Plan.

Participants are immediately vested in their contributions and earnings thereon. Vesting in Enterprise Florida's contributions is based on years of service. A participant vests at 33.33% annually until fully vested upon completion of three years of credited service. Any participant employed at the date of total and permanent disability, death or the attainment of normal retirement age, as defined, is deemed to be 100% vested. Contributions made toward the safe harbor are immediately vested.

Enterprise Florida contributed a total of \$599,335 to the Plan and all expenses related to the Plan were paid from forfeitures during the year ended June 30, 2021.

The Foundation has a defined contribution money purchase pension plan covering all of the full-time employees it had prior to the merger with Enterprise Florida. On the date of merger, all Foundation employees became employees of Enterprise Florida and members of the Enterprise Florida Plan. No further contributions have been made to the Foundation's defined contribution money purchase pension plan since the date of merger. Investments are self-directed by participants and accounts vest over a six year period.

Note 13 - Related Party Transactions

The Organization has considerable activity with the State and Visit Florida, as presented on the consolidated financial statements and throughout the notes to the consolidated financial statements.

The Organization recorded \$1,525,000 of contributions from entities that had employees on the Board of Directors during the year ended June 30, 2021.

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 14 - Commitments and Contingencies

Operating Lease Commitments

The Organization is obligated under noncancelable operating leases for office facilities and equipment. At June 30, 2021 future minimum lease payments under noncancelable operating leases are as follows for the years ending June 30:

2022	\$	927,699
2023		938,494
2024		946,741
2025		949,495
2026		974,060
Thereafter		2,391,888
	\$	<u>7,128,377</u>

The Organization's rental expenses totaled \$1,111,743 for the year ended June 30, 2021.

Capital Investment Commitments

FOF has committed \$28,000,000 to eight limited partnerships in fund of funds investments, of which \$938,268 remains subject to additional capital calls as of June 30, 2021. For the Clean Energy Investment Program, FOF has committed \$20,536,727 in direct investments and loans to six privately-held companies, of which \$3,259,920 remains subject to investment in the respective companies. For the Florida Venture Capital Program, FOF has committed \$42,839,013 in direct investments and loans to thirteen privately held companies, of which \$13,108,980 remains subject to investment in the respective companies.

Grants and Contracts Contingency

Grants and contracts require the fulfillment of certain conditions set forth in the agreements, including certain match requirements which may be subject to audit and adjustment by grantor/contracting agencies. In the opinion of management, any such adjustments would not be material to the Organization's consolidated financial statements.

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 15 – Functional Expenses

Program and Supporting Services Expenses – The following program and supporting service expense are included in the accompanying consolidated financial statements:

Business Development – Expenses related to coordinating national and international business development by managing projects to increase capital investments and jobs in Florida.

Capital Programs – Expenses related to providing small businesses with access to financial assistance thru partnerships with qualifying lenders.

Strategic Partnerships – Expenses related to maintaining and enhancing relationships with primary partners and stakeholders to strengthen support of economic development initiatives and increase job growth.

International Trade & Development – Expenses related to international trade programs that expand the number of Florida companies exporting products and services. It also manages key international relationships to improve Florida's international business and global reputation.

Team Florida Marketing – Expenses related to cooperative marketing programs benefiting Florida partners and promotional events.

Sport Development – Expenses related to promoting and developing sports related industries, amateur sports activities, and physical fitness programs.

Florida Opportunity Fund – Expenses related to increasing the availability of seed capital and early stage venture equity capital for emerging companies in Florida, including, without limitation, enterprises in life sciences, information technology, advanced manufacturing processes, aviation and aerospace, and homeland security and defense, as well as other strategic technologies.

General & Administrative – Identifies the functions as necessary to ensure an adequate working environment and costs not identifiable with a single program or function. It includes expenses related to the executive office, marketing and advertising, human resources, contracts and compliance, information technology and accounting.

Fundraising – Expenses related to generating private investment contributions.

Functional Expenses – The costs of providing program and other activities have been summarized on a functional basis in the statements on activities. While most costs have been directly assigned to a functional category, certain joint costs have been allocated amount program services and supporting services benefited.

Such allocations are determined by management on an equitable basis. Expenses that are allocated consisted primarily of facility costs have been allocated based on square footage.

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 15 – Functional Expenses (continued)

The Organization’s activities include numerous functions, summarized as follows:

	Program Services							Supporting Services				Total Expenses	
	Business Development	Capital Programs	Strategic Partnerships	International Trade & Development	Team Florida Marketing	Sports Development	Florida Opportunity Fund	Total	General & Administration	Fundraising	Supporting		Total
Grants to sub-recipients	\$ -	\$ -	\$ 956,553	\$ 551,619	\$ -	\$ 1,943,211	\$ -	\$ 3,451,383	\$ -	\$ -	\$ -	\$ -	\$ 3,451,383
Marketing & promotion	-	-	5,932	-	47,900	1,119,257	-	1,173,089	3,637,525	-	-	3,637,525	4,810,614
Salaries and wages	993,793	-	256,291	1,469,764	-	561,459	-	3,281,307	2,421,545	109,244	-	2,530,789	5,812,096
Rents	163,576	-	-	360,754	-	72,000	-	596,330	487,240	28,174	-	515,414	1,111,744
Depreciation	38,649	-	-	16,564	-	19,622	-	74,835	54,848	-	-	54,848	129,683
Sponsorship	100,000	5,000	-	100,000	-	-	-	205,000	57,000	-	-	57,000	262,000
Employee benefits	302,744	-	88,914	498,811	-	119,407	-	1,009,876	767,279	34,804	-	802,083	1,811,959
Professional fees	-	-	-	2,018,728	-	82,935	8,742,626	10,844,289	388,938	-	-	388,938	11,233,227
Board meeting	-	-	-	-	-	13,842	-	13,842	47,523	-	-	47,523	61,365
Event & business travel	141,882	-	1,724	328,744	-	52,784	-	525,134	59,510	-	-	59,510	584,644
Other expenses	249,368	-	-	256,381	-	161,784	61,814	729,347	394,788	1,783	-	396,571	1,125,918
TOTAL	\$ 1,990,012	\$ 5,000	\$ 1,309,414	\$ 5,601,365	\$ 47,900	\$ 4,146,301	\$ 8,804,440	\$ 21,904,432	\$ 8,316,196	\$ 174,005	\$ -	\$ 8,490,201	\$ 30,394,633

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 16 – Liquidity

The following table reflects the Organization's financial assets as of June 30 reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statement of financial position date.

	<u>2021</u>
Cash and cash equivalents	\$ 145,235,577
Due from State of Florida	13,014,014
Accounts and loans receivable, net	4,728,965
Loans receivable under State Small Business Credit Initiative, net	35,228,196
Interest receivable and other assets	2,642,533
Investments, at fair value	<u>63,235,865</u>
Fiscal assets at end of year	264,085,150
Less: assets unavailable for general expenditures within one year:	
Assets with donor restrictions	<u>(176,585,506)</u>
Fiscal assets available to meet cash needs for general expenditures within one year	<u>\$ 87,499,644</u>

As part of the Organization's liquidity management plan, it structures its financial assets to be available as its obligations come due. The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing mission-related activities as well as the conduct of services undertaken to support those activities to be general expenditures. Management is of the opinion that sufficient liquidity exists to meet its current obligations.

Note 17 – Concentrations

For the year ended June 30, 2021, the Organization received approximately 66% of its revenue from the State of Florida for the Organization's operations and various programs which the Organization administers.

Note 18 – Subsequent Events

Subsequent events have been evaluated through September 27, 2021, which is the date the consolidated financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION AND OTHER
REPORTS OF INDEPENDENT AUDITOR**

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

YEAR ENDED JUNE 30, 2021

	Enterprise Florida	Florida Sports Foundation	Team Florida Partnership	Florida Opportunity Fund	Eliminations	Total
ASSETS						
Cash						
Operating	\$ 29,534,065	\$ -	\$ -	\$ -	\$ -	\$ 29,534,065
Limited as to use	45,649,993	4,164,290	1,185,966	64,701,263	-	115,701,512
Due from State of Florida	11,721,107	1,292,907	-	-	-	13,014,014
Accounts and loans receivable, net	177,965	21,530	-	4,529,470	-	4,728,965
Due from consolidated entity	363,560	-	-	-	(363,560)	-
Loans receivable under the State Small Business Credit Initiative, net	35,228,196	-	-	-	-	35,228,196
Interest receivable and other assets	1,001,594	24,164	-	1,616,775	-	2,642,533
Leaseholds, furniture and equipment, net	60,178	41,482	-	-	-	101,660
Enterprise Florida investments under the Small Business Technology Growth Fund	50,000	-	-	-	-	50,000
Florida Opportunity Fund investments in venture capital partnerships	-	-	-	19,626,112	-	19,626,112
Florida Opportunity Fund direct investments:						
Fund-of-Funds Program	-	-	-	1,298,300	-	1,298,300
Clean Energy Investment Program	-	-	-	8,048,745	-	8,048,745
Florida Venture Capital Program	-	-	-	34,212,708	-	34,212,708
Total Assets	<u>123,786,658</u>	<u>5,544,373</u>	<u>1,185,966</u>	<u>134,033,373</u>	<u>(363,560)</u>	<u>264,186,810</u>
LIABILITIES AND NET ASSETS						
Liabilities:						
Accounts and grants payable	892,627	1,398,614	-	269,857	-	2,561,098
Accrued payroll and related liabilities	1,009,689	95,309	-	-	-	1,104,998
Escrow payable	36,167,110	-	-	-	-	36,167,110
Fund manager fees payable	-	-	-	10,000,000	-	10,000,000
Deferred revenue	107,042	33,449	25,000	-	-	165,491
Loss reserve on loan guarantees	39,967	-	-	-	-	39,967
Due to State of Florida	4,777,810	-	-	-	-	4,777,810
Due to Enterprise Florida	-	-	109,767	253,793	(363,560)	-
Total Liabilities	<u>42,994,245</u>	<u>1,527,372</u>	<u>134,767</u>	<u>10,523,650</u>	<u>(363,560)</u>	<u>54,816,474</u>
Net Assets:						
Without donor restrictions	32,784,830	-	-	-	-	32,784,830
With donor restrictions	48,007,583	4,017,001	1,051,199	123,509,723	-	176,585,506
Total Net Assets	<u>80,792,413</u>	<u>4,017,001</u>	<u>1,051,199</u>	<u>123,509,723</u>	<u>-</u>	<u>209,370,336</u>
Total Liabilities and Net Assets	<u>\$ 123,786,658</u>	<u>\$ 5,544,373</u>	<u>\$ 1,185,966</u>	<u>\$ 134,033,373</u>	<u>\$ (363,560)</u>	<u>\$ 264,186,810</u>

See report of independent auditor

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES
CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions			With Donor Restrictions						Total
	All Entities	Eliminations	Total Without Donor Restrictions	Enterprise Florida	Florida Sports Foundation	Team Florida Partnership	Florida Opportunity Fund	Eliminations	Total With Donor Restrictions	
Revenues:										
State operating assistance	\$ 20,000,000	\$ -	\$ 20,000,000	\$ 2,924,056	\$ 4,937,782	\$ -	\$ -	\$ -	\$ 7,861,838	\$ 27,861,838
Private investment contributions	1,525,000	-	1,525,000	-	-	-	-	-	-	1,525,000
Event revenue	419,103	-	419,103	-	176,385	-	-	-	176,385	595,488
In-kind contributions	300,283	-	300,283	-	-	-	-	-	-	300,283
Management and administration fees	291,375	(150,000)	141,375	-	-	-	-	-	-	141,375
Net appreciation in fair value of investments	5,087,220	-	5,087,220	68,874	-	-	4,805,006	-	4,873,880	9,961,100
Other income	283,218	-	283,218	717,955	160,844	-	459,525	-	1,338,324	1,621,542
Net assets released from restrictions	9,514,386	-	9,514,386	(1,443,690)	(4,146,301)	(47,900)	(3,876,495)	-	(9,514,386)	-
Total Revenues	37,420,585	(150,000)	37,270,585	2,267,195	1,128,710	(47,900)	1,388,036	-	4,736,041	42,006,626
Expenses:										
Program services	21,904,432	-	21,904,432	-	-	-	-	-	-	21,904,432
Supporting services										
General & Administration	8,466,196	(150,000)	8,316,196	-	-	-	-	-	-	8,316,196
Fundraising	174,005	-	174,005	-	-	-	-	-	-	174,005
Total supporting services	8,640,201	(150,000)	8,490,201	-	-	-	-	-	-	8,490,201
Total Expenses	30,544,633	(150,000)	30,394,633	-	-	-	-	-	-	30,394,633
Change in Net Assets Before Income Tax Expense	6,875,952	-	6,875,952	2,267,195	1,128,710	(47,900)	1,388,036	-	4,736,041	11,611,993
Income tax expense	9,024	-	9,024	-	-	-	-	-	-	9,024
Change in Net Assets	6,866,928	-	6,866,928	2,267,195	1,128,710	(47,900)	1,388,036	-	4,736,041	11,602,969
Net Assets, Beginning of Year	25,917,902	-	25,917,902	45,740,388	2,888,291	1,099,099	122,121,687	-	171,849,465	197,767,367
Net Assets, End of Year	\$ 32,784,830	\$ -	\$ 32,784,830	\$ 48,007,583	\$ 4,017,001	\$ 1,051,199	\$ 123,509,723	\$ -	\$ 176,585,506	\$ 209,370,336

See report of independent auditor

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES
SCHEDULE OF ACTIVITIES BY CONSOLIDATED ENTITY

YEAR ENDED JUNE 30, 2021

	Enterprise Florida	Florida Sports Foundation	Team Florida Partnership	Florida Opportunity Fund	Eliminations	Total
Revenues:						
State operating assistance	\$ 22,924,056	\$ 4,937,782	\$ -	\$ -	\$ -	\$ 27,861,838
Private investment contributions	1,525,000	-	-	-	-	1,525,000
Event revenue	419,103	176,385	-	-	-	595,488
In-kind contributions	300,283	-	-	-	-	300,283
Management and administration fees	291,375	-	-	-	(150,000)	141,375
Net appreciation in fair value of investments	68,874	-	-	9,892,226	-	9,961,100
Other income	1,001,173	160,844	-	459,525	-	1,621,542
Total Revenues	<u>26,529,864</u>	<u>5,275,011</u>	<u>-</u>	<u>10,351,751</u>	<u>(150,000)</u>	<u>42,006,626</u>
Expenses:						
Program services	8,905,791	4,146,301	47,900	8,804,440	-	21,904,432
Supporting services						
General & Administration	8,315,945	-	-	150,251	(150,000)	8,316,196
Fundraising	174,005	-	-	-	-	174,005
Total supporting services	<u>8,489,950</u>	<u>-</u>	<u>-</u>	<u>150,251</u>	<u>(150,000)</u>	<u>8,490,201</u>
Total Expenses	<u>17,395,741</u>	<u>4,146,301</u>	<u>47,900</u>	<u>8,954,691</u>	<u>(150,000)</u>	<u>30,394,633</u>
Change in Net Assets Before Income Tax Expense	9,134,123	1,128,710	(47,900)	1,397,060		11,611,993
Income tax expense	-	-	-	9,024	-	9,024
Change in Net Assets	9,134,123	1,128,710	(47,900)	1,388,036	-	11,602,969
Net Assets, Beginning of Year	71,658,290	2,888,291	1,099,099	122,121,687	-	197,767,367
Net Assets, End of Year	<u>\$ 80,792,413</u>	<u>\$ 4,017,001</u>	<u>\$ 1,051,199</u>	<u>\$ 123,509,723</u>	<u>\$ -</u>	<u>\$ 209,370,336</u>

See report of independent auditor

**Report of Independent Auditor on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Members of the Board of Directors
Enterprise Florida, Inc.
Orlando, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Enterprise Florida, Inc. and consolidated entities (the "Organization") which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 27, 2021.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cheryl Behrman LLP". The signature is written in a cursive, flowing style.

Orlando, Florida
September 27, 2021

**Report of Independent Auditor on Compliance for the Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.650,
Rules of the Florida Auditor General**

To the Members of the Board of Directors
Enterprise Florida, Inc.
Orlando, Florida:

Report on Compliance for Each Major Federal Program and State Financial Assistance Project

We have audited Enterprise Florida, Inc. and consolidated entities' (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the Florida Department of Financial Services' State Projects Compliance Supplement, that could have a direct and material effect on each of the Organization's major federal and state programs for the year ended June 30, 2021. The Organization's major federal program and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, contracts, and the terms and conditions of its federal and state awards applicable to its federal program and state financial assistance projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal program and state financial assistance projects 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, Rules of the Florida Auditor General. Those standards, the Uniform Guidance and Chapter 10.650 Rules of the Florida Auditor General, 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 a major federal program or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the Organization'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 each major federal program and state financial assistance project. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program and State Financial Assistance Project

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal awards program and each of its state financial assistance projects for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Organization 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 the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and each state financial assistance project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, 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 the Organization'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 federal program or state financial assistance project on a timely basis. *A material weakness* in internal control over compliance is a deficiency, or 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 federal program or a state financial assistance 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 federal program 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 the 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 our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Orlando, Florida
September 27, 2021

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2021

Agency and Purpose	Originating Grant Period	Assistance Listing Number	CSFA Number	Grant/Contract Number	Expenditures	Pass-Through to Subrecipients
Federal Agency Name:						
U.S. Department of Energy						
<i>Passed through the State of Florida, Executive Office of the Governor, Department of Agriculture and Consumer Services, Department of Energy</i>						
ARRA-State Energy Program	7/1/12-6/30/13	84.041	-	DE-EE0000241/ARS003	\$ 36,089,000	\$ -
Total expenditures of federal awards					\$ 36,089,000	\$ -
State Agency Name:						
Direct projects:						
State of Florida, Department of Economic Opportunity						
Enterprise Florida, Inc. - Operating Support	7/1/20-6/30/21	-	40.040	SB 21-001	6,750,786	-
Enterprise Florida, Inc. - International Programs	7/1/20-6/30/21	-	40.040	SB 21-001	2,738,404	-
Enterprise Florida, Inc. - Florida Export & Diversification Program	7/1/20-6/30/21	-	40.040	SB 21-001	95,709	95,709
Enterprise Florida, Inc. - Foreign Offices	7/1/20-6/30/21	-	40.040	SB 21-001	2,018,728	-
Enterprise Florida, Inc. / Team Florida Marketing operating support	7/1/20-6/30/21	-	40.040	SB 21-001	3,542,675	-
Enterprise Florida, Inc. - Florida Export & Diversification Program	7/01/19-6/30/20	-	40.040	SB 20-001	399,725	399,725
Enterprise Florida, Inc. - Florida Export & Diversification Program	7/01/18-6/30/19	-	40.040	SB 18-001	56,185	56,185
Florida Sports Foundation - Sr. Games/SSG	7/1/20-6/30/21	-	40.040	SB21-004	757,657	3,700
Florida Sports Foundation - Major/Regional Grants	7/1/20-6/30/21	-	40.040	SB21-004	1,983,925	1,983,925
Florida Sports Foundation - License Plate Project	7/1/20-6/30/21	-	40.040	SB21-004	1,078,276	-
Florida Defense Support Task Force	7/1/20-6/30/21	-	40.040	SB21-005	32,977	32,977
Florida Defense Support Task Force	7/1/20-6/30/21	-	40.040	SB18-005	936,405	754,721
Florida Defense Support Task Force	7/1/15-6/30/16	-	40.040	SB16-001	7,772	7,772
Total CSFA 40.040					<u>20,399,224</u>	<u>3,334,714</u>
State of Florida Department of Highway Safety and Motor Vehicles						
Florida Sports Foundation - Olympic	7/1/17-6/30/18	-	76.018	SB21-004	43,762	43,762
Florida Sports Foundation - NASCAR	7/1/17-6/30/18	-	76.101	SB21-004	71,629	71,629
Florida Sports Foundation - Tennis	7/1/17-6/30/18	-	76.107	SB21-004	94,909	94,909
Total State of Florida Department of Highway Safety and Motor Vehicles					<u>210,300</u>	<u>210,300</u>
Total expenditures of state financial assistance					\$ 20,609,524	\$ 3,545,014

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2021

Note 1 – Presentation

This Schedule of Expenditures of Federal Awards and State Financial Assistance (the “Schedule”) is presented on the accrual basis of accounting and includes federal and state expenditures of Enterprise Florida, Inc. and consolidating entities. Expenditures for Florida Sports Foundation Inc. include grant funds committed to sporting events during the current year that will be paid to a future year, and for which non-occurrence of the sporting event is considered remote. The information in this Schedule is presented in accordance of the Uniform Guidance, and, therefore, certain amounts in this Schedule may differ from amounts presented in the consolidated financial statements. Primarily the amounts differ due to the State Energy Program including cumulative grant proceeds since inception.

Note 2 – Match Requirement

Enterprise Florida, Inc. receives funding for operations from the Department of Economic Opportunity (“DEO”), which is subject to Florida Statute Section 288.904(2) match requirements. The match requirements are designed to require Enterprise Florida, Inc. to secure statutory basis match of at least 100 percent of the State’s operating investment in Enterprise Florida, Inc., which was \$21,186,329 for year ended June 30, 2021.

	Statutory Basis (1)
	<u> </u>
Direct cash (2)	\$ 1,594,250
Cash donations from assisted organizations (3)	606,805
Fees charged for products or services (4)	1,080,953
Copayments, stock, warrants, royalties or other private resources (5)	<u>20,562,690</u>
Total matching funds	23,844,698
Total match required (6)	<u>21,186,329</u>
Excess (7)	<u>\$ 2,658,369</u>

1. Florida Statutory basis amounts are reported as defined in Section 288.904(2), Florida Statutes. In-kind contributions under this basis of accounting include amounts that do not meet the GAAP basis requirements for revenue recognition.
2. Defined in Section 288.904(2)(b)(1) as cash given directly to Enterprise Florida, Inc., for its operations, including contributions from at-large members of the board of directors.
3. Defined in Section 288.904(2)(b)(2) as cash donations from organizations assisted by the divisions.

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2021

4. Defined in Section 288.904(2)(b)(4) as cash generated by fees charged for products or services of Enterprise Florida, Inc., and its divisions by sponsorship of events, missions, programs, and publications.
5. Defined in Section 288.904(2)(b)(5) as copayments, stock, warrants, royalties, or other private resources dedicated to Enterprise Florida, Inc., or its divisions. The amount provided is derived from Visit Florida and cash gains received on investments held at the Florida Opportunity Fund. Visit Florida is a direct support organization dedicated solely to the Enterprise Florida, Inc. division of Tourism Marketing so private resources of Visit Florida that are not required for Visit Florida's match are available for Enterprise Florida, Inc.'s match requirements. Visit Florida's financial information is not presented as part of GAAP basis financial reporting for Enterprise Florida, Inc. The Florida Opportunity Fund is a consolidated entity of Enterprise Florida, Inc.
6. The total match required is the budget contracted by the Department of Economic Development to Enterprise Florida, Inc. less any funding that is directed by the legislature to be subcontracted to a specific recipient entity. The total match requirement consists of \$21,000,000 of Enterprise Florida, Inc. operating support, and \$186,329 of Florida Defense Support Task Force administration for year ended June 30, 2021.
7. Excess matching funds do not include Quick Response Training eligible match, the amount of which was not obtained since match requirements have been met without regard to such eligible match.

Note 3 – Indirect Cost Rate

The Organization did not elect to utilize the 10% de minimis indirect cost rate.

Note 4 – Loan Program Outstanding Balance

For purposes of federal awards, the Organization has a loan outstanding from the U.S. Department of Energy totaling \$36,089,000 as of June 30, 2021. The grantor appropriated the funding to the Florida Opportunity Fund to be used in perpetuity; accordingly, a loan is not recorded as a liability on the Consolidated Statement of Financial Position.

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

YEAR ENDED JUNE 30, 2021

Part I Summary of Auditor Results

Financial Statement Section

Type of auditor report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Non-compliance material to financial statements noted? yes x no

Federal Awards and State Projects Section

Internal control over major programs:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Type of auditor report on compliance for major federal programs and state projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) yes x no

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, Rules of the Florida Auditor General yes x no

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

YEAR ENDED JUNE 30, 2021

Part I – Summary of Auditor Results (continued)

Federal Awards and State Projects Section (continued)

Identification of major federal programs and state projects:

Federal Programs:

Name of Program or Cluster	Assistance Listing Number
U.S. Department of Energy	
State Energy Program	81.041

State Projects:

Name of Project	CSFA Number
Florida Department of Economic Opportunity	
Enterprise Florida, Inc.	40.040

Dollar threshold used to determine Type A programs:

Federal	\$ 750,000
State	\$ 750,000

Auditee qualified as low-risk auditee for federal purposes? x yes no

Part II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the consolidated financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

YEAR ENDED JUNE 30, 2021

Part III – Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major federal programs, as required to be reported by Section 200.516 of the Uniform Guidance.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

Part IV – State Project Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major state projects, as required to be reported by Chapter 10.650, Rules of the Florida Auditor General.

There are no items related to state financial assistance required to be reported. Accordingly, a management letter is not required.

ENTERPRISE FLORIDA, INC. AND CONSOLIDATED ENTITIES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2021

Summary of Prior Year Findings

There were no findings reported in the prior year; therefore, a summary of prior year findings is not required.