

**BUSINESS DEVELOPMENT BOARD  
OF MARTIN COUNTY, INC.**

FINANCIAL STATEMENTS

Year Ended September 30, 2023

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INDEPENDENT AUDITORS' REPORT

Board of Directors  
Business Development Board of Martin County, Inc.  
Stuart, Florida

**Opinion**

We have audited the accompanying financial statements of Business Development Board of Martin County, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, the related statement of activities and cash flow for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Business Development Board of Martin County, Inc. as of September 30, 2023, and the changes in its net assets and its cash flow for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Business Development Board of Martin County, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Business Development Board of Martin County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Business Development Board of Martin County, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Business Development Board of Martin County, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Budget and Actual Expenses on page 13, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information, except for that portion marked "unaudited", is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*DiBartolomeo, McBee, Hartley & Barnes*

DiBartolomeo, McBee, Hartley & Barnes, P.A.  
Fort Pierce, Florida  
February 21, 2024

**BUSINESS DEVELOPMENT BOARD OF MARTIN COUNTY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
September 30, 2023

**Assets**

Current assets	
Cash and cash equivalents	\$ 350,645
Accounts receivable	127,000
Prepaid and other current assets	2,000
<b>Total current assets</b>	479,645
Furniture and fixtures	9,675
Computer equipment	16,055
	25,730
Less Accumulated Depreciation	25,730
<b>Net property and equipment</b>	-
	\$ 479,645

**Liabilities and Net Assets**

Current liabilities	
Accounts payable and accrued expenses	\$ 3,000
Payroll liabilities	3,025
Deferred revenue	500
<b>Total Current liabilities</b>	6,525
Net assets:	
Without donor restrictions:	
Undesignated	413,490
Board designated funds for operating reserve	59,631
	473,121
<b>Total net assets</b>	473,121
	\$ 479,645

Read Accompanying Notes to Financial Statements

**BUSINESS DEVELOPMENT BOARD OF MARTIN COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
Year Ended September 30, 2023

	<u>Net Assets Without Donor Restrictions</u>
Changes in unrestricted net assets:	
Revenue, public and other support:	
Local government income	\$ 450,000
Investor Income	58,500
Miscellaneous income	23,931
Contributed nonfinancial assets	4,320
Event sponsorship income	29,000
<b>Total revenue, public and other support</b>	<b>565,751</b>
Expenses:	
Program services:	
Business attraction	75,836
Business retention and expansion	172,182
Business assistance and entrepreneurship	74,020
Talent and workforce	94,065
Community outreach	116,784
<b>Total program services</b>	<b>532,886</b>
Supporting services:	
Management and general	69,619
<b>Total expenses</b>	<b>602,504</b>
<b>Change in net assets</b>	<b>(36,753)</b>
Net assets:	
Beginning of year	509,874
End of year	\$ 473,121

Read Accompanying Notes to Financial Statements

**BUSINESS DEVELOPMENT BOARD OF MARTIN COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended September 30, 2023

	Business attraction	Business retention & expansion	Business assistance & entrepreneurship	Talent & workforce	Community outreach	Total Program Services	Supporting Services Management & general	Total Expenses
Salaries and benefits	\$ 34,772	\$ 86,929	\$ 34,772	\$ 86,929	\$ 52,158	\$ 295,559	\$ 52,158	\$ 347,717
Programs and services	2,813	141	2,426	-	1,653	7,033	-	7,033
Business development and marketing	16,735	837	14,434	-	9,832	41,837	-	41,837
Occupancy	4,759	5,599	3,079	2,800	5,879	22,116	5,879	27,995
Outside services	-	43,765	-	-	22,545	66,310	-	66,310
In-kind legal services	-	2,851	-	-	1,469	4,320	-	4,320
General office expenses	1,853	2,180	1,199	1,090	2,289	8,609	2,289	10,898
Miscellaneous	-	-	-	-	-	-	774	774
Computer software and support	235	276	152	138	290	1,090	290	1,380
Postage and postal services	136	160	88	80	168	633	168	801
Printing and binding	1,205	1,418	780	709	1,488	5,600	1,488	7,088
Professional development and training	358	18	309	-	210	895	-	895
Contingency	1,013	1,192	656	596	1,252	4,709	1,252	5,961
Forums and conferences	-	19,357	9,678	-	9,678	38,713	-	38,713
Memberships	2,046	2,046	-	-	1,154	5,245	-	5,245
Subscriptions	2,063	2,427	1,335	1,214	2,549	9,588	2,549	12,137
Technology communications	5,278	264	4,552	-	3,101	13,194	-	13,194
Travel and mileage	1,705	1,705	-	-	-	3,410	1,703	5,113
Insurance	866	1,019	560	509	1,070	4,024	1,070	5,094
<b>Total expenses</b>	<b>\$ 75,836</b>	<b>\$ 172,182</b>	<b>\$ 74,020</b>	<b>\$ 94,065</b>	<b>\$ 116,784</b>	<b>\$ 532,886</b>	<b>\$ 69,619</b>	<b>\$ 602,504</b>

Read Accompanying Notes to Financial Statements



**BUSINESS DEVELOPMENT BOARD OF MARTIN COUNTY, INC.**  
**STATEMENT OF CASH FLOWS**  
Year Ended September 30, 2023

<b>Cash flows from operating activities:</b>	
Change in net assets	\$ (36,753)
Adjustments to reconcile net cash used in operating activities	
Changes in operating assets and liabilities:	
Accounts receivable	(2,000)
Prepaid expenses	400
Accounts payable and accrued expenses	(4,810)
Deferred revenue	(16,000)
	<hr/>
<b>Net cash used in operating activities</b>	<b>(59,164)</b>
	<hr/>
Net decrease in cash	(59,164)
<b>Cash and cash equivalents</b>	
Beginning of year	409,809
	<hr/>
End of year	<b>\$ 350,645</b>
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Read Accompanying Notes to Financial Statements

# BUSINESS DEVELOPMENT BOARD OF MARTIN COUNTY, INC.

## NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

### NOTE A – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

#### Nature of organization

Business Development Board of Martin County, Inc. (the BDBMC) is Martin County's official public-private partnership for economic development. It's mission is to champion and strengthen Martin County's economy by growing leading and emerging industries; accelerating entrepreneurship; building the next generation of workforce talent; being more business friendly; increasing the community's attractiveness to owners, earners, learners and business visitors; and increasing the non-residential tax base. It is the official partner of Enterprise Florida, Inc., the State of Florida's official economic development organization and works collaboratively to unite economic leadership both locally and regionally.

A summary of the BDBMC's significant accounting policies follows:

Basis of presentation: The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). A not-for-profit organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

*Net Assets Without Donor Restriction:* Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

*Net Assets With Donor Restriction:* Net assets whose use is limited by donor-imposed and/or purpose restrictions.

The BDBMC does not have any net assets with donor restrictions. Net assets without donor restrictions are presently available for use by the BDBMC at the discretion of the Board of Directors.

Accounting 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 reporting period. Actual results could differ from those estimates.

Cash and cash equivalents: For purposes of the statement of cash flows, the BDBMC considers all highly liquid, temporary investments purchased with an original maturity of three months or less to be cash equivalents. For the year ended September 30, 2023, the BDBMC held only cash. All of the BDBMC cash is held at two financial institutions which, at times, may exceed federally-insured limits individually. The BDBMC has not experienced any losses and believes it is not exposed to any significant risk with respect to cash and cash equivalents.

**BUSINESS DEVELOPMENT BOARD OF MARTIN COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

Year Ended September 30, 2023

**NOTE A – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Accounts receivables: Accounts receivables are carried at original charge amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts, assessing the creditor's ability to pay and by using historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. An account receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 30 days. The allowance for doubtful accounts at September 30, 2023 was zero.

Property and equipment: Property and equipment are recorded at cost. Depreciation is computed on the straight-line method over the following estimated useful lives of the depreciable assets. The BDBMC depreciates its assets using the following useful lives:

	<u>Years</u>
Furniture, fixtures and equipment	7
Computer equipment	5

Revenue recognition

Local government income includes revenue earned under contract from local county government. Revenue is recognized as contract performance obligations are met and earned. Due to the short-term duration of the revenue recognition cycle, the BDBMC has elected the practical expedient permitting them to exclude disclosures of certain performance obligations as the BDBMC's contracts typically have a term of one year or less. See Note B.

Other public sector and private sector income includes grant funds received from local city governments and private companies and is recognized as either (a) donor-restricted or (b) without donor restricted in accordance with the grant agreement.

Event sponsorship income is recognized when the underlying event being sponsored has occurred.

Investor income is private sector income received for access to the Business Development Board of Martin County, Inc.'s resources.

Contributed services and the related expenses are recognized at their fair value in the period of use. Such support is only recognized when the underlying value of the services can be determined on a measurable and objective basis. Contributed services are recognized as contributions if the services: (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills and would otherwise have been purchased.

The BDBMC receives contribution of services for which the donor receives no value. The contribution of services has been recorded as revenue at their fair value. For the year ended September 30, 2023 the Organization received \$4,320 in contributed services.

**BUSINESS DEVELOPMENT BOARD OF MARTIN COUNTY, INC.**

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

**NOTE A – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Functional allocation of expenses: The costs of providing the various programs and other activities of the BDBMC have been summarized in the notes to financial statements on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates made by management.

Advertising and promotions: Advertising and promotion costs are expensed when incurred.

Income taxes: The BDBMC is exempt from federal and state income taxes under Section 501 (a) of the Internal Revenue Code and Chapter 220.13 of the Florida Statutes. Therefore, the financial statements reflect no provision for income taxes.

The BDBMC has evaluated its tax positions and concluded that it has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of the guidance listed above. With few exceptions, the BDBMC is no longer subject to income tax examinations by the U.S. federal or state tax authorities for years prior to 2020.

Recent Accounting Pronouncements-In June 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2020-05, Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities, which, among other things, provided entities with an additional year to implement ASU 2016-02, Leases (Topic 842). As a result, for nonpublic companies the effective date for ASU 2016-02 was extended to be effective for annual reporting periods beginning after December 15, 2021, and interim reporting periods beginning after December 15, 2022. The Organization adopted FASB Accounting Standards Update (ASU) 2016-02 Leases during the year ended December 31, 2022 which requires the recognition of a “right to use” asset and a lease liability, initially measured at the present value of the lease payments, on all of the Organization’s lease obligations.

Lease Accounting-The Organization determines whether to account for its leases as operating, capital or financing leases depending on the underlying terms of the lease agreement. This determination of classification is complex and requires significant judgement about the Organization’s cost of funds, minimum future lease payments and other lease terms.

**NOTE B – PUBLIC FUNDS AND MEMBERSHIP DUES**

The operations of the BDBMC are primarily supported through funding provided through an agreement with Martin County. The current agreement commenced on October 1, 2019 and extends for ten years and provides the basis of funding which is limited to business development activities within Martin County, Florida. During fiscal year ended September 30, 2023, revenue of \$450,000 was recognized as revenue from that contract. The contract will provide annual revenue of \$450,000. These agreements provide a substantial amount of annual support for the BDBMC.

A significant reduction in this support would have a significant effect on the BDBMC's programs and activities.

**BUSINESS DEVELOPMENT BOARD OF MARTIN COUNTY, INC.**  
NOTES TO FINANCIAL STATEMENTS  
Year Ended September 30, 2023

**NOTE C – LEASES**

The BDBMC leases its office space under an amended operating lease agreement with terms extending through July 31, 2021, with a further right of renewal or extension for three periods beginning August 1, 2021 and ending July 31, 2024. The lease contains predetermined fixed escalations of the minimum rentals. Rent expense for the year ended September 30, 2023, was \$27,995, which included a charge for common area management expenses and real estate taxes. The BDBMC is currently renting on a month-to-month basis. Future minimum payments under the lease which expires July 31, 2024, will be \$21,098. Because of the short-term nature of the BDBMC lease, no right of use asset or lease liability was recorded.

**NOTE D - CONCENTRATIONS AND CREDIT RISK**

As of September 30, 2023, the Organization's cash and cash equivalent balance did not exceed FDIC limits. Furthermore, BDBMC has not experienced any losses and believes it is not exposed to any significant risk with respect to cash and cash equivalents.

During the year ended September 30, 2023, the BDBMC received approximately 80% of its revenue under its contract with the Martin County Board of County Commissioners.

Additionally, the accounts receivable balance at September 30, 2023, is comprised of one customer comprising 89% of the outstanding balance at year-end.

**NOTE E – BOARD DESIGNATED FUNDS**

On August 14, 2019, the board approved a 90-day operating reserve policy to help the BDBMC preserve its capacity for delivering its mission in the event of unforeseen financial shortages; enable the organization to sustain operations through delays in payments of committed funding, position it to accept and manage reimbursable grants; invest in one-time, nonrecurring expenses that will build capacity, such as business development, staff development, research; and to create an internal line of credit to manage cash flow and maintain financial flexibility. Board designated net assets as of September 30, 2023 was \$59,631. Although not formally designated, considering the available cash of \$350,645 at September 30, 2023, the BDBMC has met its 90-day operating reserve requirement.

**BUSINESS DEVELOPMENT BOARD OF MARTIN COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended September 30, 2023**

**NOTE F – LIQUIDITY**

The BDBMC's financial assets available within one year of the balance sheet date for general expenditures are as follows:

Cash	\$ 350,645
Accounts receivable	<u>127,000</u>
	<u>\$ 477,645</u>

The BDBMC has \$477,625 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the balance sheet date. The BDBMC has a goal to maintain financial assets, which consist of checking and money market accounts, on hand to meet 90 days of normal operating expenses, which are, on average, approximately \$150,000. The BDBMC has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management the BDBMC invests excess cash in money market accounts.

**NOTE G – SUBSEQUENT EVENTS**

Management has performed an analysis of the activities and transactions subsequent to September 30, 2023 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended September 30, 2023. Management has performed their analysis through February 21, 2024, the date the report was available for release.

**BUSINESS DEVELOPMENT BOARD OF MARTIN COUNTY, INC.**  
**SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES**  
Year Ended September 30, 2023

	<u>Actual</u>	<u>Budget (unaudited)</u>
Salaries and benefits	\$ 347,717	\$ 397,000
Programs and services	7,033	20,000
Business development and marketing	41,837	53,000
Occupancy	27,995	28,500
Outside services	66,310	76,800
In-kind legal services	4,320	24,000
General office expenses	10,898	12,200
Miscellaneous	774	-
Computer software and support	1,380	3,800
Postage and postal services	801	1,400
Printing and binding	7,088	5,000
Professional development and training	895	9,500
Contingency	5,961	7,000
Forums and conferences	38,713	40,000
Memberships	5,245	9,960
Subscriptions	12,137	12,065
Technology communications	13,194	15,700
Travel and mileage	5,113	11,000
Insurance	5,094	5,440
Total expenses	<u>\$ 602,504</u>	<u>\$ 732,365</u>