

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

FINANCIAL STATEMENTS

Year Ended September 30, 2024

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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, 2024, 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, 2024, 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, P.A.
Fort Pierce, Florida
March 11, 2025

BUSINESS DEVELOPMENT BOARD OF MARTIN COUNTY, INC.

STATEMENT OF FINANCIAL POSITION

September 30, 2024

Assets

Current assets

Cash and cash equivalents	\$	298,272
Accounts receivable		120,500
Prepaid and other current assets		16,652
Right of use asset - Note D		17,226
Total current assets		<u>452,650</u>

Furniture and fixtures		9,675
Computer equipment		16,055
		<u>25,730</u>
Less Accumulated Depreciation		25,730
Net property and equipment		<u>-</u>

Other assets

Right of use asset - Note D		34,971
Total other assets		<u>34,971</u>

Total assets	\$	<u>487,621</u>
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Liabilities and Net Assets

Current liabilities

Accounts payable and accrued expenses	\$	5,796
Payroll liabilities		6,664
Current maturities of lease liability - Note D		17,226
Total current liabilities		<u>29,686</u>

Long term liabilities

Lease liability - Note D		34,971
Total long term liabilities		<u>34,971</u>

Net assets:

Without donor restrictions:		
Undesignated		256,251
Board designated funds for operating reserve		166,713
Total net assets		<u>422,964</u>
	\$	<u>487,621</u>

Read Accompanying Notes to Financial Statements

BUSINESS DEVELOPMENT BOARD OF MARTIN COUNTY, INC.

STATEMENT OF ACTIVITIES
Year Ended September 30, 2024

	<u>Net Assets Without Donor Restrictions</u>
Changes in unrestricted net assets:	
Revenue, public and other support:	
Local government income	\$ 450,000
Municipal Investor income	20,000
Private Investor income	47,336
Interest income	4,262
Contributed nonfinancial assets	18,630
Event sponsorship income	52,552
	<hr/>
Total revenue, public and other support	592,780
Expenses:	
Program services:	
Business attraction	59,852
Business retention and expansion	226,428
Business assistance and entrepreneurship	64,845
Talent and workforce	89,819
Community outreach	137,772
Total program services	<hr/> 578,716 <hr/>
Supporting services:	
Management and general	64,221
	<hr/>
Total expenses	642,937
Change in net assets	(50,157)
Net assets:	
Beginning of year	473,121
	<hr/>
End of year	\$ 422,964
	<hr/> <hr/>

BUSINESS DEVELOPMENT BOARD OF MARTIN COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2024

	<u>Business attraction</u>	<u>Business retention & expansion</u>	<u>Business assistance & entrepreneurship</u>	<u>Talent & workforce</u>	<u>Community outreach</u>	<u>Total Program Services</u>	<u>Supporting Services Management & general</u>	<u>Total Expenses</u>
Salaries and benefits	\$ 25,213	\$ 63,032	\$ 25,213	\$ 63,032	\$ 37,819	\$ 214,307	\$ 37,819	\$ 252,126
Programs and services	2,591	130	2,235	-	1,522	6,477	-	6,477
Business development and marketing	5,145	257	4,437	-	3,023	12,862	-	12,862
Occupancy	4,979	5,858	3,222	2,929	6,151	23,138	6,151	29,289
Outside services	-	89,987	-	-	46,357	136,344	-	136,344
Outside services - Director	8,210	20,524	8,210	20,524	12,315	69,783	12,315	82,098
In-kind legal services	-	12,296	-	-	6,334	18,630	-	18,630
General office expenses	2,431	2,860	1,573	1,430	3,003	11,298	3,003	14,301
Miscellaneous	-	-	-	-	-	-	753	753
Computer software and support	331	390	214	195	409	1,539	409	1,948
Postage and postal services	80	94	52	47	99	372	99	471
Professional development and training	797	40	687	-	468	1,992	-	1,992
Forums and conferences	-	25,345	12,672	-	12,672	50,689	-	50,689
Memberships	1,849	1,849	-	-	1,043	4,741	-	4,741
Subscriptions	1,855	2,182	1,200	1,091	2,291	8,618	2,291	10,909
Technology communications	5,219	261	4,502	-	3,066	13,048	-	13,048
Travel and mileage	181	181	-	-	-	362	181	543
Insurance	972	1,143	629	572	1,201	4,516	1,201	5,717
Total expenses	<u>\$ 59,852</u>	<u>\$ 226,428</u>	<u>\$ 64,845</u>	<u>\$ 89,819</u>	<u>\$ 137,772</u>	<u>\$ 578,716</u>	<u>\$ 64,221</u>	<u>\$ 642,937</u>

Read Accompanying Notes to Financial Statements

BUSINESS DEVELOPMENT BOARD OF MARTIN COUNTY, INC.

STATEMENT OF CASH FLOWS

Year Ended September 30, 2024

Cash flows from operating activities:	
Change in net assets	\$ (50,157)
Adjustments to reconcile net cash used in operating activities	
Changes in operating assets and liabilities:	
Accounts receivable	6,500
Prepaid expenses	(14,652)
Accounts payable and accrued expenses	6,436
Deferred revenue	(500)
	<hr/>
Net cash used in operating activities	(52,373)
	<hr/>
Net decrease in cash	(52,373)
Cash and cash equivalents	
Beginning of year	<hr/> 350,645
End of year	<hr/> <hr/> \$ 298,272

Read Accompanying Notes to Financial Statements

BUSINESS DEVELOPMENT BOARD OF MARTIN COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE A – NATURE OF ORGANIZATION

Business Development Board of Martin County, Inc. (the BDBMC) is Martin County's official public-private partnership for economic development. Its mission is to lead economic development by supporting local contributory businesses, attracting investment, and fostering job creation. 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.

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

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, 2024, 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, 2024

NOTE B – 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 receivables 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, 2024 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 capitalizes property and equipment with a cost of \$1,000 or greater and a useful life of at least three years. 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.

Municipal and private investor income received through the investor program provides 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, 2024 the Organization received \$18,630 in contributed services.

BUSINESS DEVELOPMENT BOARD OF MARTIN COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE B – 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 September 30, 2023 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 C - 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, 2024, 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, 2024

NOTE D – LEASES

The BDBMC leases its office space under an amended operating lease agreement with terms beginning August 1, 2021 that expired July 31, 2024. The lease contained predetermined fixed escalations of the minimum rentals.

The operating lease was amended in May 2024 with terms beginning August 1, 2024 and expiring July 31, 2027. The lease contains predetermined fixed escalations of minimum rentals. Rent expense for the year ended September 30, 2024, was \$29,289, which included a charge for common area management expenses and real estate taxes.

The following is a schedule by years of minimum future rentals on the operating lease and amortization of the net present value (NPV) of the lease liability as of September 30, 2024.

	Minimum Annual Lease Payments	Amortization of NPV of Lease Liability
2025	\$ 19,038	\$ 17,226
2026	19,614	18,529
2027	16,751	16,442
	<u>\$ 55,402</u>	<u>\$ 52,197</u>

The carrying value of the related right-of-use asset as of September 30, 2024 was:

Accumulated Basis	\$ 54,985
Less - accumulated amortization	<u>(2,788)</u>
	<u>\$ 52,197</u>

NOTE E - CONCENTRATIONS AND CREDIT RISK

The BDBMC maintains cash at one financial institution located in Florida. Amounts held in individual financial institutions may exceed insured limits by the Federal Deposit Insurance Corporation. At September 30, 2024, the BDBMC held \$48,272 in uninsured funds. The 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, 2024, the BDBMC received approximately 76% of its revenue under its contract with the Martin County Board of County Commissioners.

Additionally, 93% of the accounts receivable balance at September 30, 2024, is comprised of one customer.

BUSINESS DEVELOPMENT BOARD OF MARTIN COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE F – 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, 2024 was \$166,713. Although not formally designated, considering the available cash of \$298,272 at September 30, 2024, the BDBMC has met its 90-day operating reserve requirement.

NOTE G – LIQUIDITY

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

Cash	\$ 298,272
Accounts receivable	120,500
	<u>\$ 418,772</u>

The BDBMC has \$418,772 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 \$166,700. 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 H – SUBSEQUENT EVENTS

Management has performed an analysis of the activities and transactions subsequent to September 30, 2024 to determine the need for any adjustments to and/ or disclosures within the audited financial statements for the year ended September 30, 2024. Management has performed their analysis through March 11, 2025, 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, 2024

	<u>Actual</u>	<u>Budget (unaudited)</u>
Salaries and benefits	\$ 252,126	\$ 436,000
Programs and services	6,477	10,000
Business development and marketing	12,862	40,000
Occupancy	29,289	24,000
Outside services	136,344	65,500
Outside services - Director	82,098	-
In-kind legal services	18,630	24,000
General office expenses	14,301	10,000
Miscellaneous	753	1,000
Computer software and support	1,948	4,000
Postage and postal services	471	1,000
Printing and binding	-	5,000
Professional development and training	1,992	8,000
Contingency	-	7,000
Forums and conferences	50,689	50,000
Memberships	4,741	10,000
Subscriptions	10,909	11,000
Technology communications	13,048	6,600
Travel and mileage	543	6,500
Insurance	5,717	5,000
Total expenses	<u>\$ 642,937</u>	<u>\$ 724,600</u>