

**SPACE COAST TRANSPORTATION PLANNING  
ORGANIZATION**

**BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**



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SEPTEMBER 30, 2023**

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**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION  
 DIRECTORY OF PRINCIPAL OFFICIALS  
 AS OF SEPTEMBER 30, 2023**

<u>Position</u>	<u>Title</u>	<u>Name</u>	<u>Representing</u>
Chair	Council Member	Andrea Young	City of West Melbourne
Vice Chair	Vice Mayor	Yvonne Minus	City of Melbourne
Secretary	Vice Mayor	Joe Robinson	City of Titusville
Member	Council Member	Herman A. Cole Jr.	City of Titusville
Member	Council Member	Julie Kennedy	City of Melbourne
Member	Commissioner	Jerry Allender	Canaveral Port Authority
Member	Deputy Mayor	Donny Felix	City of Palm Bay
Member	Deputy Mayor	Frank Forester	City of Rockledge
Member	Council Member	Kenny Johnson	City of Palm Bay
Member	Council Member	Mimi Hanley	City of Melbourne
Member	Council Member	Lorraine Koss	City of Cocoa
Member	Commissioner	Tom Goodson	BOCC District 2
Member	Mayor	Rob Medina	City of Palm Bay
Member	Vice Mayor	Joyce Barton	South Beaches Coalition
Member	Commissioner	Rita Pritchett	BOCC District 1
Member	Commissioner	Rob Feltner	BOCC District 4
Member	Commissioner	John Tobia	BOCC District 3
Member	Council Member	Don Willis	North Beaches Coalition
Member	Commissioner	Jason Steele	BOCC District 5



## INDEPENDENT AUDITORS' REPORT

To the Governing Board,  
Space Coast Transportation Planning Organization:

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities and the general fund of the Space Coast Transportation Planning Organization (the Organization), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Organization, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 opinions.

#### ***Responsibilities of Management for the Financial Statements***

The Organization's management is responsible for the preparation and fair presentation of these 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 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 the Organization's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' 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 auditors' report that includes our opinions. 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 GAAS and GAS 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 GAAS and GAS, 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 the Organization'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 the Organization'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.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

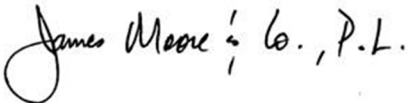
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Organization's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the other information, namely, the directory of principal officials is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic 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, the information is fairly stated, in all material respects, in relation to the basic 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 May 16, 2024, 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 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.

Daytona Beach, Florida  
May 16, 2024

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large, looped initial 'J'.

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

As management of the Space Coast Transportation Planning Organization, Florida (the "Organization"), we offer readers of the Organization's financial statements this narrative overview and analysis of the financial activities of the Organization for the fiscal year ended September 30, 2023. Consideration should be given to the information presented here in conjunction with the information that has been furnished in the basic financial statements and notes, as listed in the table of contents.

**FINANCIAL HIGHLIGHTS**

- The liabilities for the government-wide financial statements of the Organization exceeded its assets at the close of the most recent fiscal year by \$892,812 (net deficit). Of this amount, \$7,564 is invested in capital assets and a deficit of \$900,376 is unrestricted.
- The Organization's total net position on a government-wide basis reflects a change of \$(152,853). As of the close of the current fiscal year, the Organization's governmental funds reported a combined ending fund balance of \$13,762, a change of \$4,758 over the previous fiscal year. This is available for spending at the government's discretion (unassigned).

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Organization's basic financial statements. The Organization's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**1) Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Organization's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the Organization's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Organization is improving or deteriorating.

The statement of activities presents information showing how the Organization's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the Organization that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Organization includes transportation. The Organization has no business type activities.

The government-wide financial statements can be found on pages 11 and 12 of this report.

### ***Net Pension Liability***

The primary objective of GASB 68 is to improve accounting and financial reporting by state and local governments for pensions. Pension obligation disclosures have previously been limited to the notes of the basic financial statements and Required Supplementary Information (RSI) sections of the financial statements.

The Organization's Net Pension Liability is a cumulative total of the Organization's two pension plans. These two plans include: Florida Retirement System (FRS) and Health Insurance Subsidy (HIS). GASB 68 recognizes three different types of defined benefit employer plans and the Organization has one type:

Cost-Sharing, Multiple-Employer Plan - A plan in which the participating government employers pool their assets and their obligations to provide defined benefit pensions. The plan assets are used to pay the pensions of the retirees of any participating employer. Both the Florida Retirement System and the Health Insurance Subsidy are considered cost-sharing, multiple-employer plans.

According to GASB 68 guidelines, June 30 of the current fiscal year was used for the Organization's measurement date based on the most recent valuation of the FRS and HIS plans. The original measurement date must be anytime within one year of the current fiscal year end, September 30, 2023. The Organization's Net Pension Liability for the fiscal year ending September 30, 2023, is shown below:

Florida Retirement System (FRS)	\$ 723,681
Health Insurance Subsidy (HIS)	<u>269,139</u>
Total net pension liability	<u>\$ 992,820</u>

**2) Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Organization, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Organization has only one category of funds: governmental funds.

*Governmental funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.



The Organization maintains one individual governmental fund, the General fund. The Organization adopts an annual appropriated budget organization-wide. A budgetary comparison statement has been provided for at the fund level to demonstrate compliance with the budget and can be found on page 17 of this report.

The basic governmental fund financial statements can be found on pages 13 through 16 of this report.

**3) Notes to financial statements.** The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 18 of this report.

### Government-Wide Financial Analysis

Comparative data for fiscal years ending September 30 are shown below:

	<b>Governmental Activities</b>		<b>Difference</b>
	<b>2023</b>	<b>2022</b>	
Assets			
Current assets	\$ 586,476	\$ 357,052	\$ 229,424
Capital assets	137,206	160,953	(23,747)
Total assets	<u>723,682</u>	<u>518,005</u>	<u>205,677</u>
Deferred outflows of resources	<u>244,824</u>	<u>297,722</u>	<u>(52,898)</u>
Liabilities			
Current liabilities	572,714	348,048	224,666
Noncurrent liabilities	231,305	263,606	(32,301)
Net pension liability	<u>992,820</u>	<u>906,387</u>	<u>86,433</u>
Total liabilities	<u>1,796,839</u>	<u>1,518,041</u>	<u>278,798</u>
Deferred inflows of resources	<u>64,479</u>	<u>37,645</u>	<u>26,834</u>
Net Position			
Net investment in capital assets	7,564	160,953	(153,389)
Unrestricted (deficit)	<u>(900,376)</u>	<u>(900,912)</u>	<u>536</u>
Total net position (deficit)	<u>\$ (892,812)</u>	<u>\$ (739,959)</u>	<u>\$ (152,853)</u>

The overall financial position of the Organization reflects a deficit net position due to compensated absences, net pension liability, and other post-employment benefits. Current assets and current liabilities experienced corresponding increases in fiscal year 2023 due to timing related to cash inflow and outflows. Deferred outflows of \$244,824 is related to GASB 68 and GASB 75 adjustments in the current year. Noncurrent assets and liabilities decreased due to the continuing application of GASB 87. The net pension liability of \$992,820 and the decrease in the net deficit are mostly related to the GASB 68 adjustments during the current year as a result of the Florida Retirement System revising its assumed discount rate.

## Analysis of the Organization's Operations

The following table provides a summary of the Organization's operations for the years ended September 30.

	<u>Governmental Activities</u>		<u>Difference</u>
	<u>2023</u>	<u>2022</u>	
Revenues			
Program Revenues			
Operating grants and contributions	<u>\$2,234,913</u>	<u>\$1,645,395</u>	<u>\$ 589,518</u>
Total revenues	<u>2,234,913</u>	<u>1,645,395</u>	<u>589,518</u>
Expenses			
Transportation	<u>2,387,774</u>	<u>1,667,934</u>	<u>719,840</u>
Total expenses	<u>2,387,774</u>	<u>1,667,934</u>	<u>719,840</u>
Miscellaneous Revenue	<u>8</u>	<u>-</u>	<u>8</u>
Increase (decrease) in net position	(152,853)	(22,539)	(130,314)
Beginning net position (deficit)	<u>(739,959)</u>	<u>(717,420)</u>	<u>(22,539)</u>
Ending net position (deficit)	<u><u>\$ (892,812)</u></u>	<u><u>\$ (739,959)</u></u>	<u><u>\$ (152,853)</u></u>

Program revenues and expenses increased in 2023 due to the increase in the number of projects in progress including master plans such as Regional Intermodal Connections Committee, Grant Tool Development, School Routes Analysis and 2050 Long Range Transportation Plan.

## Fund Financial Statements

As noted earlier, the Organization uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Organization's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Organization's financing requirements. Fund balance is composed of:

- Non-spendable – Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – Amounts that have externally enforceable limitations on use of resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board, the Organization's highest level of decision-making authority.
- Assigned – Amounts that are constrained by the government's intent to be used for specific purposes that are neither considered restricted or committed. The authority to assign fund balance lies with the Executive Director.
- Unassigned – This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General fund is the chief operating fund of the Organization. At the end of the current fiscal year, fund balance of the General fund was \$13,762, and \$9,004, all of which is unassigned.

### **General Fund Budgetary Highlights**

The following information is presented to assist the reader in comparing actual results with budgetary amounts. A comparison of revenue budgeted to actual produced a negative variance of \$309,518. Revenue differences were mainly due to the timing of recognition of revenue from intergovernmental grant transactions relative to the scope of the entire project as budgeted. The Organization's actual expenditures were less than the final budget by \$323,281 for similar reasons. Only minor amendments to the approved budget were made for minor revenue and expense adjustments.

### **Capital Asset and Debt Administration**

- Capital Assets: The Organization's total investment in capital assets for its governmental activities as of September 30, 2023, amounts to \$137,206 (net of accumulated depreciation).
- Long-term Debt: At the end of the current fiscal year, the Organization reported lease liabilities totaling \$129,642.

Additional information on the Organization's capital assets can be found in Note (4) in the notes to the financial statements. Additional information on the Organization's long-term liabilities can be found in Note (5) in the notes to the financial statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

- Revenue sources and associated expenditures are expected to increase due to non-recurring projects such as 2050 Long Range Transportation Plan, 2035 Transit Development Plan, Intermodal Station Feasibility Study, Southern Brevard Trails Master Plan, Mobility on Demand Study, Dixon Blvd. Complete Street and North Merritt Island Pioneer Trail Study.
- On-going projects are expected to continue next year and include annual collection of traffic counts, State of the System Report and corresponding update to dashboard, and the Transportation Improvement Program.

These factors were considered in preparing the Organization's budget for the 2024 fiscal year.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Organization's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the management staff of the Organization.

## **BASIC FINANCIAL STATEMENTS**

These basic financial statements contain Government-wide Financial Statements, Fund Financial Statements and Notes to the Financial Statements.

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Due from other governments	\$ 586,476
Capital assets, net of accumulated depreciation/amortization	137,206
Total assets	\$ 723,682
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	\$ 239,536
Deferred outflows related to OPEB	5,288
Total deferred outflows of resources	\$ 244,824
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 220,570
Due to Brevard County	352,144
Noncurrent liabilities:	
Due within one year:	
Lease payable	16,898
Compensated absences	57,185
Due in more than one year:	
Lease payable	112,744
Compensated absences	33,585
Total OPEB liability	10,893
Net pension liability	992,820
Total liabilities	\$ 1,796,839
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	\$ 64,479
Total deferred inflows of resources	\$ 64,479
<b>NET POSITION</b>	
Net investment in capital assets	\$ 7,564
Unrestricted (deficit)	(900,376)
Total net position	\$ (892,812)

The accompanying notes to financial statements are an integral part of this statement.

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
Governmental activities:					
Transportation	\$ 2,387,774	\$ -	\$ 2,234,913	\$ -	\$ (152,861)
Total governmental activities	<u>\$ 2,387,774</u>	<u>\$ -</u>	<u>\$ 2,234,913</u>	<u>\$ -</u>	<u>(152,861)</u>
	General revenues:				
	Miscellaneous				8
	Total general revenues				<u>8</u>
	Change in net position				(152,853)
	Net position - beginning of year				<u>(739,959)</u>
	Net position - ending of year				<u><u>\$ (892,812)</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION  
BALANCE SHEET  
GOVERNMENTAL FUND  
SEPTEMBER 30, 2023**

	<b>General Fund</b>
<b>ASSETS</b>	
Due from other governments	\$ 586,476
<b>Total assets</b>	<b>\$ 586,476</b>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 220,570
Due to Brevard County	352,144
<b>Total liabilities</b>	572,714
<b>FUND BALANCE</b>	
Unassigned	13,762
<b>Total liabilities and fund balance</b>	<b>\$ 586,476</b>

The accompanying notes to financial statements are an integral part of this statement.

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023**

<b>Fund balance - total governmental funds</b>	\$	13,762
Amounts reported for governmental activities in the statement of activities are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Total governmental capital assets	\$ 223,079	
Less: accumulated depreciation and amortization	<u>(85,873)</u>	137,206
On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the Organization's net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.		
Net pension liability	(992,820)	
Deferred outflows related to pensions	239,536	
Deferred inflows related to pensions	<u>(64,479)</u>	(817,763)
On the governmental fund statements, a total OPEB liability is not recorded unless an amount is due and payable (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the Organization's total OPEB liability is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to OPEB are also reported.		
Total OPEB liability	(10,893)	
Deferred outflows related to OPEB	<u>5,288</u>	(5,605)
Long-term liabilities, including bonds payable and leases payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:		
Lease payable	(129,642)	
Compensated absences	<u>(90,770)</u>	(220,412)
<b>Net position of governmental activities</b>	<u>\$</u>	<u>(892,812)</u>

The accompanying notes to financial statements are an integral part of this statement.



**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>General Fund</b>
<b>Revenues</b>	
Intergovernmental:	
Federal	\$ 2,135,042
State and local	99,871
Miscellaneous	8
Total revenues	2,234,921
<b>Expenditures</b>	
Current:	
Transportation	2,209,607
Debt service:	
Principal - leases	16,399
Interest - leases	4,157
Total expenditures	2,230,163
<b>Net change in fund balance</b>	4,758
<b>Fund balance, beginning of year</b>	9,004
<b>Fund balance, end of year</b>	\$ 13,762

The accompanying notes to financial statements are an integral part of this statement

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

<b>Net change in fund balance - total governmental funds</b>	\$	4,758
Differences in amounts reported for governmental activities in the statement of activities are:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Depreciation and amortization expense		(23,747)
Governmental funds report contributions to defined benefit pension/OPEB plans as expenditures. However, in the Statement of Activities, the amount contributed to defined benefit pension plans reduces future liabilities. Also included in pension/OPEB expense in the Statement of Activities are amounts required to be amortized.		
Change in net pension liability and deferred inflows/outflows related to pensions		(169,240)
Change in total OPEB liability and deferred inflows/outflows related to OPEB		(1,080)
The issuance of long-term debt (i.e. bonds, notes, leases, and subscriptions) provides current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and deferred amounts on refunding when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Lease payments		16,399
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows:		
Change in compensated absences liability		20,057
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>(152,853)</u></b>

The accompanying notes to financial statements are an integral part of this statement.

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental:				
Federal	\$ 2,307,321	\$ 2,428,649	\$ 2,135,042	\$ (293,607)
State and local	63,158	115,790	99,871	(15,919)
Miscellaneous	-	-	8	8
Total revenues	<u>2,370,479</u>	<u>2,544,439</u>	<u>2,234,921</u>	<u>(309,518)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	2,362,979	2,545,944	2,209,607	336,337
Capital outlay	7,500	7,500	-	7,500
Debt service:				
Principal - leases	-	-	16,399	(16,399)
Interest - leases	-	-	4,157	(4,157)
Total expenditures	<u>2,370,479</u>	<u>2,553,444</u>	<u>2,230,163</u>	<u>323,281</u>
Net change in fund balances	<u>-</u>	<u>(9,005)</u>	<u>4,758</u>	<u>13,763</u>
<b>Fund balance</b> , beginning of year	9,004	9,004	9,004	-
<b>Fund balances</b> , end of year	<u>\$ 9,004</u>	<u>\$ (1)</u>	<u>\$ 13,762</u>	<u>\$ 13,763</u>

The accompanying notes to financial statements are an integral part of this statement

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**(1) Summary of Significant Accounting Policies:**

The financial statements of the Space Coast Transportation Planning Organization (the Organization), have been prepared in conformance with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles. The following is a summary of the Organization's significant accounting policies:

(a) **Reporting entity**—The Organization was created and shall be operated pursuant to Florida Statute 339.175 through an Interlocal Agreement between local jurisdictions and agencies. The parties to the Interlocal Agreement are: Brevard County, the City of Cape Canaveral, the City of Cocoa, the City of Cocoa Beach, the Town of Indialantic, the City of Indian Harbour Beach, the City of Melbourne, the Town of Melbourne Beach, the City of Palm Bay, the City of Rockledge, the City of Satellite Beach, the City of Titusville, the City of West Melbourne, the Canaveral Port Authority, and the Florida Department of Transportation. The Interlocal Agreement creating the Organization was entered into July 15, 2014 and amended October 8, 2020.

The Organization is responsible for planning and programming the expenditure of State and Federal (not local) transportation funds and provides technical guidance to local governments regarding transportation planning issues. The Organization is a planning agency and not an implementing agency. The Organization is created to work in cooperation with the Florida Department of Transportation, the Federal Highway Administration, and the Federal Transit Administration. The Organization staff and operations are separated from the Brevard County Board of County Commissioners, effective October 1, 2010, and they operate independently from the control, supervision and direction of Brevard County through an Interlocal Agreement updated and adopted September 15, 2020 and recorded September 29, 2020.

In evaluating how to define the Organization for financial purposes, management has considered all potential component units. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the purpose and activities of the potential component unit benefit the government and/or its citizens, or whether they are conducted within the geographic boundaries of the Organization and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. In evaluating the Organization as a reporting entity, management has addressed all potential component units that may or may not fall within the Organization's oversight and control, and thus, be included in the Organization's financial statements. There are no component units included.

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

(1) **Summary of Significant Accounting Policies:** (Continued)

(b) **Government-wide and fund financial statements**—The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report information on all of the nonfiduciary activities of the primary government as a whole. As part of the consolidation process, all interfund activities are eliminated from these statements.

Net position, the difference between assets, deferred outflows, liabilities and deferred inflows, as presented in the statement of net position, are subdivided into three categories: net investment in capital assets, unrestricted net position and restricted net position. Net position is reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, or laws and regulations of other governments, or by law through constitutional provisions or enabling legislation.

The statement of activities presents a comparison between the direct and indirect expenses of a given function or segment and its program revenues, and displays the extent to which each function or segment contributes to the change in net position for the fiscal year. Direct expenses are those that are clearly identifiable to a specific function or segment. Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to amounts received from those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.

Grants and contributions consist of revenues that are restricted to meeting the operational or capital requirements of a particular function or segment.

Separate fund financial statements report detailed information about the Organization's governmental funds. The focus of governmental fund financial statements is on major funds. Therefore, major funds are reported as separate columns in the fund financial statements. Reconciliations are provided that convert the results of governmental fund accounting to the government-wide presentation.

(c) **Measurement focus, basis of accounting, and financial statement presentation**—The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Organization considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

All other revenue items are considered to be measurable and available only when cash is received by the government.

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

(1) **Summary of Significant Accounting Policies:** (Continued)

The Organization reports the following major governmental fund:

**General Fund**—The General fund is the general operating fund of the Organization and is used to account for all financial resources except those required to be accounted for in another fund.

(d) **Budgets and budgetary accounting**—Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual appropriated budget is adopted for the General fund. The annual operating budget serves as legal authorization for expenditures and proposed means of financing them. The legal level of budgetary control is the fund level. For the year ended September 30, 2023, the budget presented has been adopted according to the Organization’s procedures.

On or before July 15 of each year, the Organization administrator shall submit a budget in accordance with state law. It shall outline the financial policies of the Organization for the ensuing fiscal year, describe the important features of the budget, indicate any major changes from the current year in fiscal policy, summarize the Organization’s fiscal position, and include any other material as the Organization administrator deems necessary.

The Organization Board shall adopt a budget for the ensuing fiscal year by resolution on or before September 30 of each year. The Organization Board shall not authorize or allow to be authorized a budget that exceeds the reasonably expected revenue for the ensuing fiscal year.

If at any time during the fiscal year it appears probable to the Organization administrator that the revenues available will be insufficient to meet the amount appropriated in the budget, the Organization administrator shall report to the Organization Board without delay. The Organization Board shall then take action to prevent or minimize any deficit and for that purpose may, by resolution, reduce one or more appropriations.

The Organization administrator shall have full authority to transfer unencumbered funds between different programs within a department, office, or agency.

The Organization Board may, by resolution, transfer or otherwise allocate or reallocate part or all of any unencumbered balance within a department, office, or agency to any other department, office, or agency.

All appropriations shall lapse at the end of the budget year to the extent that such appropriations have not been expended or encumbered, and any appropriation made in one budget year shall not be valid or effective during any subsequent budget year.

(e) **Cash and cash equivalents**—The Organization defines cash and cash equivalents as cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents. The Organization had no cash and cash equivalents at September 30, 2023.

(f) **Due from other governments**—After reviewing the individual account balances, the Organization’s management has determined that essentially all receivables are fully collectible as accounts receivable consist of grants and other governmental revenues. Therefore, no allowance for doubtful accounts has been provided.

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

(1) **Summary of Significant Accounting Policies:** (Continued)

(g) **Capital assets**—Capital assets are reported in the applicable governmental columns in the government-wide financial statements. The Organization defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful in excess of one year. Such assets are recorded at cost when purchased. Contributed capital assets are capitalized at their acquisition value at the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation is provided using the straight-line method over the estimated useful lives of the various classes of depreciable assets. The estimated useful lives of equipment and right to use assets (RTU) range from 4 – 7 years.

(h) **Compensated absences**—The Organization records the vested portion of accumulated unused compensated absences, if material, at year-end based on each employee’s unused hours and rate of pay, including the Organization’s share of payroll taxes. All compensated absences are accrued when incurred in the government-wide financial statements as accrued liabilities. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements. Estimates have been utilized to determine the amount to report as the current portion.

(i) **Due to Brevard County**—The interlocal agreement signed by Brevard County, Florida and the Organization specifies that, at no cost to the Organization, Brevard County, Florida agrees to provide the Organization with an annual “line of credit” for each County fiscal year of up to \$500,000 for operating expenses. The line of credit shall be repaid from time to time by the Organization from State or Federal transportation planning grants that the Organization receives as a metropolitan planning organization. At September 30, 2023, the balance on the line of credit to Brevard County, Florida was \$352,144 due to the timing of funds to be received from the State of Florida.

(j) **Fund equity**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Organization is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

*Nonspendable* – Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash (inventories, prepaid expenditures) and items such as long-term amount of loans, property acquired for resale, as well as unrealized gains.

*Restricted* – Amounts that have externally enforceable limitations on use of resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed* – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Organization Board of Directors, the Organization’s highest level of decision making authority. Commitments may only be removed or changed by the Organization Board of Directors taking the same formal action (resolution) that imposed the constraint originally.

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

(1) **Summary of Significant Accounting Policies:** (Continued)

*Assigned* – Amounts that are constrained by the Organization’s intent to be used for specific purposes that are neither considered restricted or committed. The authority to assign fund balance lies with the Organization Executive Director.

*Unassigned* – The residual classification for the General fund resources. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Organization would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds. Restricted net position is also assumed to be used before unrestricted net position.

(k) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The Organization has two items, deferred outflows related to pensions and deferred outflows related to OPEB, which qualifies for reporting in this category. Deferred outflows related to pensions are discussed further in Note (9) and deferred outflows related to OPEB are discussed further in Note (8).

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The Organization has two items, deferred inflows related to pensions and deferred inflows related to OPEB in the government-wide statement of net position, which qualifies for reporting in this category. Deferred inflows related to pensions are discussed further in Note (9) and deferred inflows related to OPEB are discussed further in Note (8).

(l) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.



**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

(2) **Reconciliation of Government-Wide and Fund Financial Statement:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

(3) **Cash Deposits and Investments:**

Cash and investment balances of the Organization are combined with those of Brevard County, Florida and, to the extent practicable, invested as required in pooled cash and non-pooled investments with original maturities of three months or less, as an internal participant in the Brevard County external investment pool. At September 30, 2023, the cash and investments had a zero balance.

(4) **Capital Assets:**

Capital asset activity for the fiscal year ended September 30, 2023 is as follows:

	<b>Beginning Balance, as restated</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Governmental activities:				
Capital assets, being depreciated –				
Equipment	\$ 60,718	\$ -	\$ -	\$ 60,718
Office space – right-to-use	162,361	-	-	162,361
Less accumulated depreciation	(62,126)	(23,747)	-	(85,873)
Governmental activities capital assets, net	<u>\$ 160,953</u>	<u>\$ (23,747)</u>	<u>\$ -</u>	<u>\$ 137,206</u>

During the year ended September 30, 2023, depreciation and amortization expense of \$23,747 was charged to the transportation function of the Organization.

(5) **Long-Term Liabilities:**

For the year ended September 30, 2023, long-term liability activity was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Due within one year</b>
Governmental activities:					
Lease payable	\$ 146,041	-	\$ (16,399)	\$ 129,642	\$ 16,898
Compensated absences	110,827	163,696	(183,753)	90,770	57,185
Total long-term liabilities	<u>\$ 256,868</u>	<u>\$ 163,696</u>	<u>\$ (200,152)</u>	<u>\$ 220,412</u>	<u>\$ 74,083</u>

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

(5) **Long-Term Liabilities:** (Continued)

***Leases***

The Organization follows the following accounting policies related to the recording of long-term lease liabilities:

*Basis of lease classification* – Leases where the maximum possible lease term is non-cancelable by both lessee and lessor, and more than 12 months are not considered short term.

*Discount Rate* – Unless explicitly stated in the lease agreement, known by the Organization, or the Organization is able to determine the rate implicit within the lease, the discount rate used to calculate lease receivable will be the Organization’s incremental borrowing rate (IBR), which will be the rate utilized for the subsequent fiscal year.

On October 1, 2020, the Organization entered into a lease for office space for a five-year term through September 30, 2025 with an option to renew for an additional five years, which must be exercised at least 90 days prior to September 30, 2025. The lease payments are \$20,557 for the first year, payable in monthly installments of \$1,713. Thereafter, the annual amount may be adjusted annually on October 1 of each year (the “Adjustment Date”) of the lease, and each and every one-year anniversary thereafter. The County shall advise the Organization of the rental increases or decreases at least ninety (90) days before the Adjustment Date of each lease fiscal year. The Organization recorded a RTU asset and lease liability at October 1, 2021 of \$162,361. The discount rate applied to the lease was 3%. For the year ended September 30, 2023, interest on lease liabilities totaled \$4,157. The net RTU asset at September 30, 2023 totaled \$126,281, net of \$36,080 of accumulated amortization.

The principal and interest requirements to maturity for the lease liability as of September 30, 2023, are as follows:

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 16,898	\$ 3,658	\$ 20,556
2025	17,412	3,144	20,556
2026	17,941	2,615	20,556
2027	18,487	2,069	20,556
2028	19,049	1,507	20,556
2029 - 2030	39,855	1,257	41,112
Total future minimum payments	<u>\$ 129,642</u>	<u>\$ 14,250</u>	<u>\$ 143,892</u>

(6) **Commitments and Contingencies:**

During the ordinary course of its operations, the Organization is party to various claims, legal actions and complaints. Some of these matters are covered by the Organization insurance program. While the ultimate effect of any litigation cannot be ascertained at this time, management believes, based on the advice of legal counsel, that there will be no material effect on the Organization’s financial position and/or that the Organization has sufficient insurance coverage to cover any claims.

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

(7) **Risk Management:**

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. In order to limit its exposure to these risks, the Organization is a participant in the Florida Municipal Insurance Trust for general and auto liability. The insurance program purchases excess and specific coverages from third party carriers. Participants in the program are billed annually for their portion of the cost of the program adjusted for actual experience during the period of coverage. Participants are not assessed for unanticipated losses incurred by the program. There have been no significant reductions in insurance coverage during fiscal year 2023. Settled claims resulting from the risks described above have not exceeded the insurance coverage for the past three years.

(8) **Other Postemployment Benefits (OPEB):**

**Plan Description.** The Brevard County Board of County Commissioners (Board) administers a single employer defined benefit healthcare plan (the "Plan"), under which, as provided for under the Interlocal Agreement between Brevard County, Florida and the Organization, the Organization employees are covered. The Plan provides health care benefits including medical coverage and prescription drug benefits to both active and eligible retired employees and their dependents. Florida Statutes require local governments to offer the same health and hospitalization insurance coverage to retirees and their eligible dependents as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. For the retired employees and their eligible dependents, the cost of any such continued participation may be paid by the employer or by the retired employees. Full time employees of the Organization are eligible to participate in the Plan. Employees who are active participants in the plan at the time of retirement and are either age 62 with completion of six years of service or have 30 years of service are also eligible to participate. The Plan does not issue a publicly available financial report.

Effective October 1, 2017, the Board implemented GASB Statement No. 75, *Accounting and Reporting for Post-Employment Benefits Other Than Pensions*, for certain post-employment healthcare benefits provided by the Board. The Board elected to implement the requirements of this statement prospectively. No assets are held in trust for payment of the OPEB liability as the Board had no OPEB liability other than as arising from the implicit rate subsidy, as discussed in the following paragraph.

Retirees and their dependents are permitted to remain covered under the County's respective health care plans as long as they pay a full premium applicable to the coverage elected. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes. The Other Post-Employment Benefit Plan does not issue a stand-alone report.

**Benefits Provided**—The Other Post Employment Benefit Plan is a single-employer benefit plan administered by the Board. Retirees are charged whatever the insurance company charges for the type of coverage elected, however, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. The older retirees actually have a higher cost which means the County is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of the premium on behalf of the active employee. GASB No. 75 calls this the "implicit rate subsidy."

**Total OPEB Liability**—The Organization's total OPEB liability of \$10,893 was measured as of September 30, 2023, and was determined by a measurement as of that date.

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

(8) **Other Postemployment Benefits (OPEB):** (Continued)

**Plan Membership**—At October 1, 2022, the date of the latest actuarial valuation, plan participation consisted of the following:

Active Employees	7
Inactive Employees	1
	8
	8

**Actuarial Assumptions and Other Inputs**—The total OPEB liability in the September 30, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Payroll growth	2.00%
Discount rate	4.77%
Healthcare cost trend rate	7.00% and 5.50%
Retirees' share of benefit-related costs	100.00%

The Organization does not have a dedicated Trust to pay retiree healthcare benefits. The Municipal Bond Index Rate used is the December average of the Bond Buyer GO 20-year Municipal Bond Index published by The Bond Buyer as of September 30, 2023.

Mortality rates were based on the Pub-2010 General Headcount-Weighted Mortality Table for males and females with mortality improvement projected using scale MP-2021.

Changes in the OPEB liability for the fiscal year ended September 30, 2023, were as follows:

	<b>Total OPEB Liability</b>
Balance at September 30, 2022	\$ 6,738
Changes for a year:	
Service cost	383
Interest	486
Changes of assumptions	3,286
Net changes	4,155
Balance at September 30, 2023	\$ 10,893

*Sensitivity of the total OPEB liability to changes in the discount rate:*

The following presents the total OPEB liability of the Organization calculated using the discount rate of 4.77%, as well as what the Organization's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.77%) or 1% higher (5.77%) than the current rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 11,900	\$ 10,893	\$ 10,014

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

(8) **Other Postemployment Benefits (OPEB):** (Continued)

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate:*

The following presents the total OPEB liability of the Organization as well as what the Organization's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (6.00% and 4.50%) or 1% higher (8.00% and 6.50%) than the current healthcare cost trend rates (7.00% and 5.50%):

	<b>1% Decrease</b>	<b>Current Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 9,991	\$ 10,893	\$ 11,925

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources**

For the year ended September 30, 2023; the Organization recognized OPEB expense of \$562. At September 30, 2023, the Organization reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,891	\$ -
Changes of assumptions	3,397	-
Total	\$ 5,288	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2024	\$ 722
2025	722
2026	722
2027	876
2028	854
Thereafter	1392

(9) **Florida Retirement System:**

**Plan Description and Administration**

The Organization participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Organization's full-time employees. The System is a retirement plan, administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

(9) **Florida Retirement System:** (Continued)

In addition, all regular employees of the Organization are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$7.50.

The minimum payment is \$45 and the maximum payment is \$225 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

**Benefits Provided and Employees Covered**

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Employees may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, DROP, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

(9) **Florida Retirement System:** (Continued)

**Financial Statements**

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site ([www.myfloridacfo.com](http://www.myfloridacfo.com)). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from:

Florida Department of Management Services  
Division of Retirement, Research and Education Services  
P.O. Box 9000  
Tallahassee, FL 32315-9000  
850-488-5706 or toll free at 877-377-1737

**Contributions**

The Organization participates in certain classes of FRS membership. Each class has descriptions and contribution rates in effect during the year ended September 30, 2023, as follows (contribution rates are in agreement with the actuarially determined rates):

FRS Membership Plan & Class	Through June 30, 2023	After June 30, 2023
Regular Class	11.91%	13.57%
Senior Management	31.57%	34.52%
DROP from FRS	18.60%	21.13%

Current-year employer HIS contributions were made at a rate of 1.66% of covered payroll through June 30, 2023, and 2.00% thereafter, which are included in the above rates.

For the plan year ended June 30, 2023, actual contributions made for Organization employees participating in FRS and HIS were as follows:

Organization Contributions – FRS	\$ 87,369
Organization Contributions – HIS	11,148
Employee Contributions – FRS	20,147

**Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions**

At September 30, 2023, the Organization reported a liability related to FRS and HIS as follows:

Plan	Net Pension Liability
FRS	\$ 723,681
HIS	269,139
Total	\$ 992,820

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

(9) **Florida Retirement System:** (Continued)

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Organization's proportion of the net pension liability was based on a projection of the Organization's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined.

At June 30, 2023 and 2022, the Organization's proportionate share of the FRS and HIS net pension liabilities were as follows:

Plan	2023	2022
FRS	0.001816156%	0.001904344%
HIS	0.001694689%	0.001867688%

For the plan year ended June 30, 2023, pension expense was recognized related to the FRS and HIS plans as follows:

FRS	\$ 169,744
HIS	100,522
Total	\$ 270,266

*Deferred outflows/inflows related to pensions:*

At September 30, 2023, the Organization reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 67,947	\$ -	\$ 3,940	\$ (632)
Changes of assumptions	47,176	-	7,076	(23,322)
Net difference between projected and actual investment earnings	30,223	-	139	-
Change in proportionate share	48,775	(20,321)	10,213	(20,204)
Contributions subsequent to measurement date	21,021	-	3,026	-
Total	\$ 215,142	\$ (20,321)	\$ 24,394	\$ (44,158)

The above amounts for deferred outflows of resources for contributions related to pensions resulting from Organization contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

	FRS	HIS	Total
2024	\$ 38,982	\$ (2,315)	\$ 36,667
2025	3,553	(3,136)	417
2026	121,652	(3,539)	118,113
2027	7,799	(7,140)	659
2028	1,814	(5,544)	(3,730)
Thereafter	-	(1,116)	(1,116)
	\$ 173,800	\$ (22,790)	\$ 151,010



**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

(9) **Florida Retirement System:** (Continued)

*Actuarial assumptions:*

The Actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2023 for the period July 1, 2013, through June 30, 2018. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.70%. This rate is consistent with the prior year rate of 6.70%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.65% was used to determine the total pension for the program. This rate increased from the prior year rate, which was 3.54%. Mortality assumptions for both plans were based on the PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details.

*Long-term expected rate of return:*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2023, the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Arithmetic Expected Rate of Return</u>
Cash	1.0%	2.9%
Fixed income	19.8%	4.5%
Global equity	54.0%	8.7%
Real estate	10.3%	7.6%
Private equity	11.1%	11.9%
Strategic investments	3.8%	6.3%
Total	<u>100.0%</u>	

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

(9) **Florida Retirement System:** (Continued)

*Sensitivity of the net pension liability to changes in the discount rate:*

The following presents the proportionate shares of the FRS and HIS net pension liability of the Organization calculated using the current discount rates, as well as what the Organization's net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

<u>Plan</u>	<u>Current Discount Rate</u>	<u>NPL with 1% Decrease</u>	<u>NPL at Current Discount Rate</u>	<u>NPL with 1% Increase</u>
FRS	6.70%	\$ 1,236,194	\$ 723,681	\$ 294,902
HIS	3.65%	307,046	269,139	237,717

(10) **Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for fiscal years subsequent to September 30, 2023, that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the Organization's financial statements:

- (a) GASB issued Statement No. 101, *Compensated Absences*, in June 2022. GASB Statement No. 101 amends the existing guidance related to the calculation and disclosures surrounding the liability for compensated absences. The provisions for GASB 101 are effective for fiscal years beginning after December 15, 2023.
- (b) GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. GASB 102 requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. The provisions for GASB 102 are effective for fiscal years beginning after June 15, 2024.

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
LAST 10 FISCAL YEARS  
(UNAUDITED)**

	As of the Plan Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Florida Retirement System (FRS)</b>										
Proportion of the net pension liability	0.001816156%	0.001904344%	0.001854903%	0.001723369%	0.001674416%	0.001313467%	0.001246815%	0.001290912%	0.001382116%	0.001460719%
Proportionate share of the net pension liability	\$ 723,681	\$ 708,569	\$ 140,117	\$ 746,934	\$ 576,646	\$ 395,623	\$ 368,926	\$ 325,956	\$ 178,519	\$ 89,125
Covered payroll	671,564	680,788	665,700	636,765	579,921	593,379	593,442	453,594	516,030	445,583
Proportionate share of the net pension liability as a percentage of covered payroll	107.76%	104.08%	21.05%	117.30%	99.44%	66.67%	62.17%	71.86%	34.59%	20.00%
Plan fiduciary net position as a percentage of the total pension liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%
<b>Health Insurance Subsidy Program (HIS)</b>										
Proportion of the net pension liability	0.001694689%	0.001867688%	0.001879995%	0.001834317%	0.001733632%	0.001816346%	0.001654116%	0.001699757%	0.001673069%	0.001561006%
Proportionate share of the net pension liability	\$ 269,139	\$ 197,818	\$ 230,610	\$ 223,967	\$ 193,976	\$ 192,244	\$ 176,866	\$ 198,100	\$ 170,627	\$ 145,958
Covered payroll	671,564	680,788	665,700	636,765	579,921	593,379	593,442	453,594	516,030	445,583
Proportionate share of the net pension liability as a percentage of covered payroll	40.08%	29.06%	34.64%	35.17%	33.45%	32.40%	29.80%	43.67%	33.07%	32.76%
Plan fiduciary net position as a percentage of the total pension liability	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION  
SCHEDULE OF CONTRIBUTIONS  
LAST 10 FISCAL YEARS  
(UNAUDITED)**

	<b>For the Fiscal Year Ended September 30,</b>									
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Florida Retirement System (FRS)</b>										
Contractually required contribution	\$ 89,365	\$ 79,908	\$ 72,630	\$ 57,260	\$ 51,919	\$ 37,433	\$ 32,458	\$ 31,481	\$ 33,697	\$ 31,996
Contributions in relation to the contractually required contribution	89,365	79,908	72,630	57,260	51,919	37,433	32,458	31,481	33,697	31,996
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 671,476	\$ 661,251	\$ 662,966	\$ 636,765	\$ 579,921	\$ 593,379	\$ 593,442	\$ 453,594	\$ 516,030	\$ 445,583
Contributions as a percentage of covered payroll	13.31%	12.08%	10.96%	8.99%	8.95%	6.31%	5.47%	6.94%	6.53%	7.18%
<b>Health Insurance Subsidy Program (HIS)</b>										
Contractually required contribution	\$ 11,661	\$ 10,977	\$ 11,005	\$ 10,570	\$ 9,627	\$ 9,850	\$ 8,754	\$ 8,712	\$ 6,396	\$ 5,347
Contributions in relation to the contractually required contribution	11,661	10,977	11,005	10,570	9,627	9,850	8,754	8,712	6,396	5,347
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 671,476	\$ 661,251	\$ 662,966	\$ 636,765	\$ 579,921	\$ 593,379	\$ 593,442	\$ 453,594	\$ 516,030	\$ 445,583
Contributions as a percentage of covered payroll	1.74%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.26%	1.16%

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY  
AND RELATED RATIOS  
LAST 10 FISCAL YEARS  
(UNAUDITED)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service cost	\$ 383	\$ 325	\$ 499	\$ 556	\$ 516	\$ 933
Interest	486	157	156	200	183	216
Difference between expected and actual experience	-	899	(1,209)	(1,466)	245	(2,593)
Changes of assumptions	3,286	(1,103)	(287)	2,505	242	(197)
Net change in total OPEB liability	4,155	278	(841)	1,795	1,186	(1,641)
Total OPEB liability - beginning of year	6,738	6,460	7,301	5,506	4,320	5,961
Total OPEB liability - end of year	<u>\$ 10,893</u>	<u>\$ 6,738</u>	<u>\$ 6,460</u>	<u>\$ 7,301</u>	<u>\$ 5,506</u>	<u>\$ 4,320</u>

**Notes to Schedule**

Valuation date: 10/1/2022 10/1/2022 10/1/2021 10/1/2020 10/1/2018 10/1/2018

Changes of assumptions. Changes of assumptions and other changes reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Discount Rate	4.77%	4.77%	2.43%	2.14%	3.64%	4.24%
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Note 1: GASB 75 requires information for 10 years. However, until a full 10-year trend is compiled, information is presented for only those years for which information is available.

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

<b>Federal Grantor / Pass-Through Grantor Program or Cluster Title, Contract No.</b>	<b>Grant or Contract Number</b>	<b>AL Number</b>	<b>Federal Expenditures</b>
Department of Transportation			
Passed through the Florida Department of Transportation			
Highway Planning and Construction	439330-4-14-01, G2799	20.205	\$ 2,090,300
Metropolitan Transportation Planning	440799-1-14-31	20.505	44,742
Total Department of Transportation			<u>2,135,042</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,135,042</u></u>

The accompanying notes to schedule of expenditures of federal awards are an integral part of this schedule.

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

(1) **Basis of Presentation:**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Space Coast Transportation Planning Organization (the Organization). The information in this schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Organization.

(2) **Summary of Significant Accounting Policies:**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

(3) **Subrecipients:**

During the fiscal year ended September 30, 2023, no amounts were passed through to subrecipients.

(4) **De Minimis Indirect Cost Rate Election:**

The Organization did not elect to use the 10% de minimis indirect cost rate as covered in §200.414, *Indirect (F&A) costs*, of the Uniform Guidance.

**SPACE COAST TRANSPORTATION PLANNING ORGANIZATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**A. Summary of Auditors' Results:**

***Financial Statements:***

Type of audit report issued on the basic financial statements: *Unmodified.*

Internal Control over Financial Reporting:

Material weakness(es) identified?	_____ yes	<u>  X  </u> no
Significant deficiency(ies) identified?	_____ yes	<u>  X  </u> none reported
Noncompliance material to financial statements noted?	_____ yes	<u>  X  </u> no

***Federal Awards:***

Internal Control over Major Programs:

Material weakness(es) identified?	_____ yes	<u>  X  </u> no
Significant deficiency(ies) identified?	_____ yes	<u>  X  </u> none reported

Type of report issued on compliance for each major federal program: *Unmodified.*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ yes	<u>  X  </u> none reported
Auditee qualified as a low-risk auditee?	<u>  X  </u> yes	_____ no

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Major program identification:

ALN Number	Program Name
20.205	Highway Planning and Construction

- B. Financial Statement Findings:** None.
- C. Federal Award Findings and Questioned Costs:** None.
- D. Summary Schedule of Prior Audit Findings:** Not applicable; no prior year findings reported.
- E. Corrective Action Plan:** Not applicable as no findings have been reported.





**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Governing Board,  
Space Coast Transportation Planning Organization:

**Report on Compliance for Each Major Federal Program**

We have audited the Space Coast Transportation Planning Organization's (the Organization) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2023. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

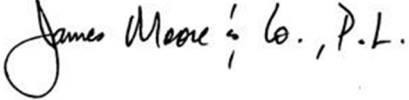
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program 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 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 internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Daytona Beach, Florida  
May 16, 2024

A handwritten signature in cursive script that reads "James Moore & Co., P.L." The signature is written in dark ink and is positioned to the right of the date and location text.

**INDEPENDENT AUDITORS' REPORT 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 Governing Board,  
Space Coast Transportation Planning Organization:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and General fund of the Space Coast Transportation Planning Organization (the Organization), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements and have issued our report thereon dated May 16, 2024.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, 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 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 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.

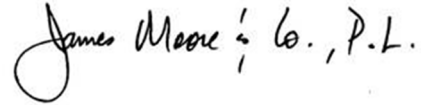
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Organization's 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 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida  
May 16, 2024



**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED  
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA  
OFFICE OF THE AUDITOR GENERAL**

To the Governing Board,  
Space Coast Transportation Planning Organization:

**Report on the Financial Statements**

We have audited the basic financial statements of Space Coast Transportation Planning Organization (the Organization), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated May 16, 2024.

**Auditors' Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements of Federal Awards* (Uniform Guidance), and Chapter 10.550, Rules of the State of Florida Office of the Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Examination Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 16, 2024, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no such findings in the preceding annual financial audit report.

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority for the primary government of the reporting entity is disclosed in Note 1 of the basic financial statements.

## **Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Organization met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Organization, did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## **Special District Component Units**

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units; therefore, we did not note any such component units that failed to provide the necessary information, nor is any specific special district information required to be reported.

## **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

## **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, Organization Board, management, others within the Organization, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daytona Beach, Florida  
May 16, 2024

*James Moore & Co., P.L.*



## INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Governing Board,  
Space Coast Transportation Planning Organization:

We have examined the Space Coast Transportation Planning Organization's (the Organization) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* (the Statute), for the year ended September 30, 2023. Management is responsible for the Organization's compliance with the Statute. Our responsibility is to obtain reasonable assurance by evaluating the Organization's compliance with the Statute and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with attestation standards for a direct examination engagement established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we obtain reasonable assurance by evaluating the Organization's compliance with the statute, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation of the Organization's compliance with the Statute. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks that the Organization was not in compliance with the Statute in all material respects, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Organization complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

A handwritten signature in black ink that reads 'James Moore &amp; Co., P.L.' The signature is written in a cursive, flowing style.

Daytona Beach, Florida  
May 16, 2024