

**ANNUAL FINANCIAL REPORT**

**OF**

**RIVER TO SEA**  
**TRANSPORTATION PLANNING ORGANIZATION**

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PREPARED BY:

**WALTER LACEY**  
CHIEF FINANCIAL OFFICER

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June 30, 2020

RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

Daytona Beach, Florida

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**TPO BOARD MEMBERS**

June 30, 2020

RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

**Commissioner Robert Gilliland, Chairperson****Commissioner Jason McGuirk, 1<sup>st</sup> Vice****Chairperson/Treasurer**

New Smyrna Beach

**Council Member Billie Wheeler, 2<sup>nd</sup> Vice****Chairperson/Secretary**

Volusia County Council

**Commissioner Jeffrey Schuitema\***

Town of Beverly Beach

**Mayor Karen Chasez**

City of DeBary

**Vice Mayor Victor Ramos**

City of Deltona

**Councilwoman Christine Power**

City of Edgewater

**Commissioner Rick Belhumuer\***

City of Flagler Beach

**Commissioner Roy Johnson**

City of Holly Hill

**Council Member Jeff Allebach**

City of Orange City

**Council Member Bob Cuff**

City of Palm Coast

**Council Member Joe Perrone\***

Town of Ponce Inlet

**Councilman Ralph Schoenherr**

City of South Daytona

**Council Member Billie Wheeler**

Volusia County

**Chairman Ed Kelley**

Volusia County Council Chair

**Council Member Barbara Girtman**

Volusia County

**Council Member Deb Denys**

Volusia County

**Vickie Wyche\*\*\***

FDOT TPO Liaison

**Vice Mayor John Rogers\***

City of Bunnell

**Vice Mayor Richard Bryan\*\***

City of Daytona Beach Shores

**Commissioner Chris Couldman**

City of DeLand

**Chairman Donald O'Brien, Jr.**

Flagler County Commission Chair

**Vice Mayor Vernon Burton\***

City of Lake Helen

**Commissioner Bill Lindlau\***

City of Oak Hill

**Commissioner Dwight Selby**

City of Ormond Beach

**Chairman Samuel G.S. Bennett\***

Town of Pierson Council Chair

**Council Member Scott Stiltner**

City of Port Orange

**Council Member Dr. Fred Lowry**

Volusia County

**Carl Persis\*\*\***

Volusia County School Board

**Andy Dance\*\*\***

Flagler County School Board

**Nora Jane Gillespie\*\*\***

CAC Chairperson

**Paul Eik\*\*\***

BPAC Chairperson

**Jose Papa\*\*\***

TCC Chairperson

\*Non-voting member in the Small City Alliance

\*\*Voting member for the Small City Alliance

\*\*\* Non-voting members

**MANAGEMENT TEAM AND STAFF**

June 30, 2020

RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

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**Lois Bollenback**

Executive Director

**Walter L. Lacey, CPA**

Accounting Manager

**Colleen Nicoulin, AICP**

Senior Transportation Planner-Project Manager

**Stephan C. Harris**

Transportation Planner – Project Manager (Modal  
Development)

**Vacancy**

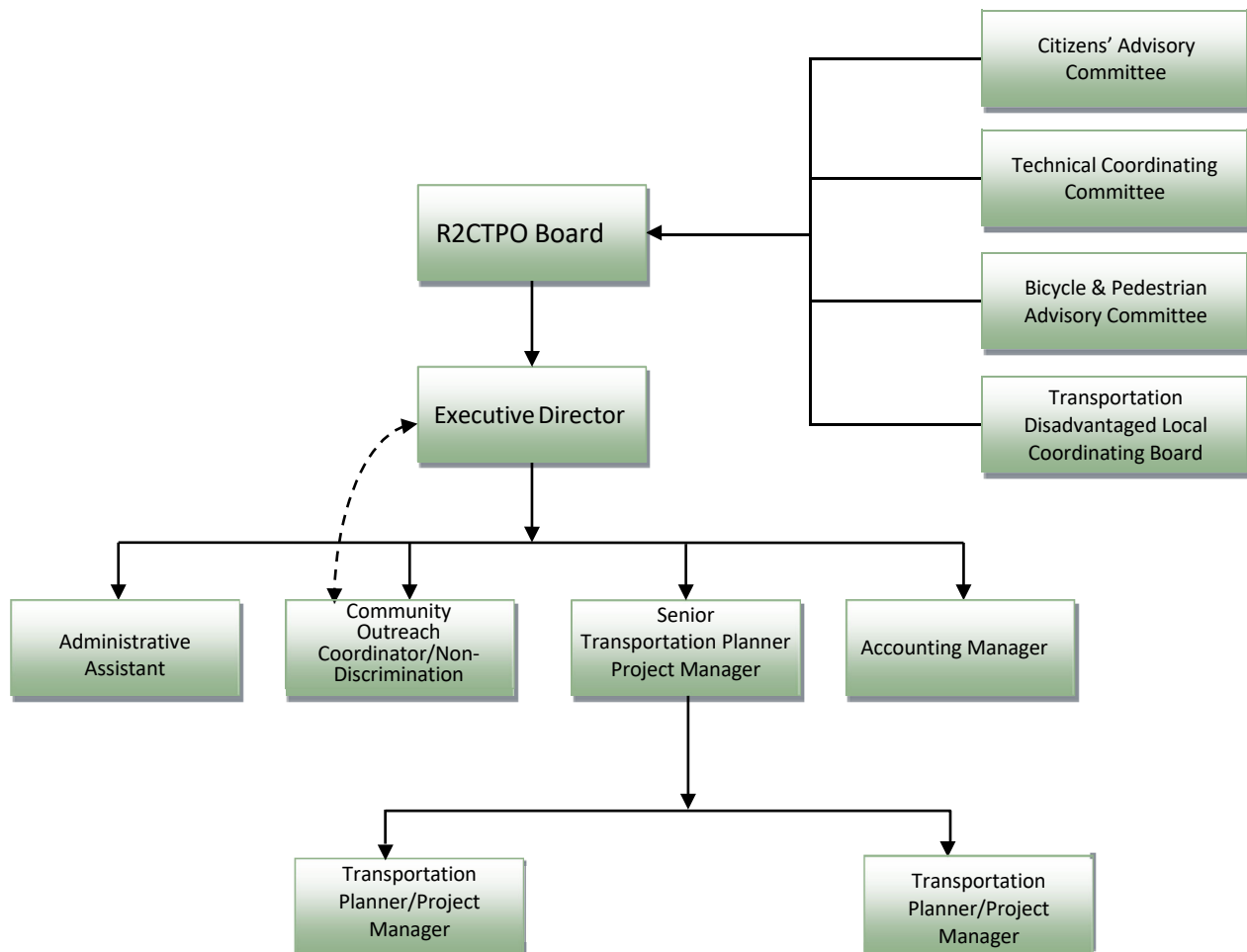
Transportation Planner/Project Manager

**Pamela C. Blankenship**

Community Outreach Coordinator/Title VI Coordinator

**Debbie Stewart**

Administrative Assistant

**River to Sea Transportation Planning Organization (TPO)****Organizational Chart**

**EXECUTIVE COMMITTEE MEMBERS**

June 30, 2020

RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

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**Commissioner Robert Gilliland, Chairperson**  
City of Daytona Beach

**Commissioner Jason McGuirk, 1<sup>st</sup> Vice  
Chairperson/Treasurer**  
New Smyrna Beach

**Council Member Billie Wheeler, 2<sup>nd</sup> Vice  
Chairperson/Secretary**  
Volusia County Council

**Council Member Deb Denys**  
Volusia County Council

**Council Member Barbara Girtman**  
Volusia County Council

**Commissioner Chris Cloudman**  
City of Deland





LBL 2020-09

November 4, 2020

Re: Transmittal of FY 2018/19 River to Sea TPO Audit

Dear TPO Board Members:

The report included with this letter of transmittal is on the financial status of the River to Sea TPO for the fiscal year from July of 2019 to June of 2020. As required by Section 163.01(5)(q), F.S., the River to Sea TPO undergoes an independent audit each year and provides the results of the audit to the TPO Board.

As indicated by the information presented in the "Management's Discussion and Analysis" (MD&A), the River to Sea TPO ended the fiscal year on stable financial ground. The TPO's assets continue to exceed its liabilities. This year's audit included no report findings.

The TPO staff will continue to strive to ensure that we meet and exceed our fiduciary responsibilities.

Respectfully submitted,

Lois Bollenback  
Executive Director, River to Sea TPO

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***INDEPENDENT AUDITORS' REPORT***

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
River to Sea Transportation Planning Organization  
Daytona Beach, Florida

We have audited the accompanying financial statements of the governmental activities and each major fund of River to Sea Transportation Planning Organization (the "R2CTPO") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the R2CTPO's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the R2CTPO as of June 30, 2020 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.

To the Board of Directors of  
River to Sea Transportation Planning Organization  
Daytona Beach, Florida

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the proportionate share of the net pension liability – Florida Retirement System pension plan, schedule of Contributions – Florida Retirement System pension plan, schedule of the proportionate share of the net pension liability – Health Insurance Subsidy pension plan, schedule of contributions – Health Insurance Subsidy pension plan, and notes to required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a required 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 R2CTPO's basic financial statements. The introductory section and other supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis 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*, and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

To the Board of Directors of  
River to Sea Transportation Planning Organization  
Daytona Beach, Florida

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated **November 6, 2019**, on our consideration of the R2CTPO'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 under the heading Independent Auditor's 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*. 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 R2CTPO's internal control over financial reporting and compliance.

BMC CPAs

**November 6, 2019**

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***MANAGEMENT'S DISCUSSION AND ANALYSIS***

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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As financial management of the River to Sea Transportation Planning Organization (hereinafter referred to as "R2CTPO"), we offer readers of these basic financial statements this narrative overview and analysis of the financial activities of R2CTPO for the year ended June 30, 2020. This discussion and analysis is designed to assist readers in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and with the financial statements, which follow this section, to be taken as a whole.

### Financial Highlights

- The assets of the R2CTPO exceeded its liabilities at the close of the year by \$399,803 (net position). Of this amount, \$351,223 (unrestricted net position) may be used to meet the organization's ongoing obligations to its member partners and citizens. The R2CTPO ended the fiscal year on stable financial ground.
- Income from all sources for the R2CTPO was \$1,530,092 for the year ended June 30, 2020. This represents an increase of 31.1% compared to the prior year with a total income of \$1,166,676.
- The R2CTPO's total net position decreased \$76,708 during the year ended June 30, 2020, compared to a decrease of \$27,489 for the period ended June 30, 2019.
- As of the close of the year ended June 30, 2020, the R2CTPO governmental funds reported an ending fund balance of \$537,885, a decrease of \$50,944 from the prior period.
- Unreserved, undesignated fund balance for the general fund remained stable in 2020 and totaled \$531,385, which include only those amounts that are not allocable to grant activities recognized in the special revenue fund.

### Overview of Financial Statements

The R2CTPO's basic financial statements are comprised of three parts: 1) the management's discussion and analysis, 2) the basic financial statements, including notes to the financial statements, and 3) the supplementary schedules presenting details of required supplemental financial data.

The Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the basic financial statements and supplementary information. The MD&A represents management's examination and analysis of the R2CTPO's financial condition and financial performance as a whole. Summary financial statement data, key financial and operational indicators used in the strategic plan, budget and other management tools were used for this analysis.

The basic financial statements consist of entity-wide and fund financial statements that are combined for this annual report. These financial statements provide both the short and long-term financial information about the R2CTPO's financial and operational activities, all of which are governmental activities. These statements report information about the R2CTPO using full accrual accounting methods and economic resources focus as utilized by similar business activities in the private sector. Information concerning all of the R2CTPO's assets and liabilities, both financial and capital, and short and long-term debt are included. Likewise, all revenues and expenses received during the year, regardless of when cash is received or paid, are reported.

The basic financial statements of the R2CTPO include a statement of net position and governmental fund balance sheet, statement of activities and governmental fund revenues, expenditures and changes in fund balances and notes to the financial statements, which are described as follows:

- A statement of net position and governmental fund balance sheet presents information on all of the R2CTPO's assets and liabilities at the end of its fiscal year, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the R2CTPO's financial position is improving or deteriorating. Net position increases when revenues exceed expenses. Increases to assets without a corresponding increase to liabilities result in increased net position, which indicates an improved financial condition.
- The statement of activities and governmental fund revenues, expenditures and changes in fund balances present the results of business operations over the course of the fiscal year and information as to how the R2CTPO's net position changed during the 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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., grant drawdowns receivable). These governmental activities are primarily supported by member assessments and operating grants from the Federal, State, and other governments.
- The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the R2CTPO's significant accounting policies, account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the R2CTPO's comparisons of budget to actual revenue and expenses and summaries of detailed financial data that is aggregated for financial presentation purposes.

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 R2CTPO uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Reconciliation of the government-wide and fund financial statements accompany the fund financial statements found on pages 29 and 31. All of the R2CTPO's special revenue programs are shown combined, as all are Federal and State reimbursable operating grants.

### **Financial Analysis**

The R2CTPO's basic financial statements report its net position and how it has changed over the reporting period. While increases or decreases over time in net position (the difference between assets and liabilities) may serve as a useful indicator of the R2CTPO's financial position, one also needs to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed governmental legislation to adequately assess its overall health.

The following is a summary of net position at June 30, 2020 and 2019:

**Net Position**

	<u>2020</u>	<u>2019</u>
<b>Assets:</b>		
Current and other assets.....	\$ 684,939	\$ 696,045
Capital assets, net.....	<u>62,908</u>	<u>48,746</u>
Total assets.....	<u>747,847</u>	<u>744,791</u>
 Deferred outflows of resources.....	 <u>143,738</u>	 <u>137,706</u>
 <b>Liabilities:</b>		
Current liabilities.....	121,675	66,945
Unearned revenue.....	25,379	40,271
Compensated absences obligation.....	33,702	24,187
Long-term debt outstanding.....	14,328	19,104
Net pension liability.....	<u>266,541</u>	<u>218,231</u>
Total liabilities.....	<u>461,625</u>	<u>368,738</u>
 Deferred inflows of resources.....	 <u>30,157</u>	 <u>37,248</u>
 <b>Net position:</b>		
Invested in capital assets, net of related debt....	48,580	29,642
Unrestricted.....	<u>351,223</u>	<u>446,869</u>
Total net position.....	<u>\$ 399,803</u>	<u>\$ 476,511</u>

Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$399,803 at the close of the most recent period. This represents a decrease of \$76,708 over the prior period, all of which is attributable to operations. The R2CTPO's investment in capital assets, net of related debt (net position not available for future spending) totaled \$48,580 at the end of the year. The unrestricted net position of \$351,223 is available to meet the R2CTPO's obligations to its member partners and citizens. Conversion to GASB Statement No. 34 does not allow the reporting of net position as "reserved" unless there are external legal restrictions on how they may be used. Thus, while there may be long-term management plans for unrestricted net position, they must be reported as unrestricted until such external restrictions occur.

The R2CTPO's investment in capital assets increased from \$29,642 at the end of the prior period to \$48,580 this year. The Organization's cash and investment reserves decreased from \$397,528 in 2019 to \$185,519 in 2020. Due from other governments increased from \$267,920 in the prior year to \$492,920 in the current year. This was a result of an increase in the amount of outstanding grant reimbursements. These receivables consisted primarily of amounts due from the federal and state governments for reimbursements of expenses under operating grants. The R2CTPO maintains a \$6,500 rent deposit for the building and office facilities.

Accounts payable totaling \$106,935 represented 23.2% of the R2CTPO's total liabilities at the end of the period. Of this amount, \$65,080 was for expenditures related to operating grant programs which will be reimbursed to the Organization after June 30, 2020 through grant reimbursements. Accrued liabilities of \$14,740 (3.0% of total liabilities) were for salaries earned but not paid until the following year. Long-term debt totaled \$48,030, which represents the estimated future cost of compensated absences for employees that is recognized as a liability in the entity-wide financial statements at the time it is earned as well as outstanding capital lease obligations.

While not recognized as a liability in the entity-wide financial statements, in the General Fund, the R2CTPO reported unearned revenue totaling \$25,379 received in advance for local matching payments on the R2CTPO's FTA Grants and other deferrals.

The following is a summary of changes in net position for the years ended June 30, 2020 and 2019:

### Change in Net Position

	Year Ended <u>6/30/2020</u>	Year Ended <u>6/30/2019</u>
Revenues:		
Program revenues:		
Charges for services.....	\$ 59,506	\$ 63,846
Operating grants/other.....	1,467,629	1,098,309
General revenues:		
Investment earnings.....	<u>2,957</u>	<u>4,521</u>
Total revenues	<u>1,530,092</u>	<u>1,166,676</u>
Expenses		
General government.....	98,566	93,604
Transportation.....	<u>1,508,234</u>	<u>1,100,561</u>
Total expenses.....	<u>1,606,800</u>	<u>1,194,165</u>
Increase (decrease) in net position.....	(76,708)	(27,489)
Net position, beginning of year.....	<u>476,511</u>	<u>504,000</u>
Net position, end of year.....	<u>\$ 399,803</u>	<u>\$ 476,511</u>

Governmental funds provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Organization's financing requirements. The R2CTPO's net position decreased \$76,708 in 2020, as a result of operations. R2CTPO still maintains a strong net position which will be used to support future grant matching.

The general fund is the chief operating fund of the R2CTPO. At the end of the current period, the unassigned fund balance was \$531,385 as a measure of general fund liquidity; it may be useful to compare unreserved fund balance to the total fund expenditures. The unreserved fund balance represented 4.69 times the general fund expenditures at the end of the current period. It is important to note that all special revenue fund revenues, which represent 96% of entity-wide revenues, required advance funding before reimbursement. No accumulation of equity occurs in the R2CTPO's special revenue (grant) funds since all current period

project costs are funded in full from a combination of the proceeds from external grant funds, external grant matching and other local support.

While the statement of net position and governmental balance sheet shows a snapshot of the R2CTPO's financial position at the beginning and ending of the periods, the statement of activities and governmental fund revenues, expenditures and changes in fund balances provides answers as to the nature and source of these changes. Revenues from membership dues and charges were \$59,506 and \$63,846 for 2020 and 2019, respectively. Operating grant revenues of \$1,467,629 was up 33.3% this year from \$1,101,356 reported during the prior period. As a result, advances from the general fund were required to finance these costs until the resulting reimbursements were subsequently collected; these increased to \$413,068 in 2020 from \$213,024 in 2019.

Investment earnings for 2020 were \$2,957, a decrease from the prior year's amount of \$4,521.

The R2CTPO's general fund expenditures for the year ended June 30, 2020 were \$113,407 and \$50,944 more than revenues in the general fund resulting in a decrease in fund balance of \$50,944. Amounts expended in the general fund for personal services expenditures in 2020 were \$-0-, the same as the prior period. Amounts expended for operational expenses, materials and services increased in the current 2020 year and totaled \$113,407, compared to \$100,646 expended in the prior year.

Amounts expended for capital outlay in 2020 totaled \$27,338, compared to \$17,323 in 2019. During the current year, the acquisition of additional computer equipment was approved in the Unified Planning Work Program (Section 112 Program) in the amount of \$4,097, compared to \$5,000 one year earlier. In addition to the computer equipment, the R2CTPO spent \$23,241 for leasehold improvements in 2020.

Debt service expenditures in 2020 totaled \$4,776 compared to \$4,776 one year earlier. These amounts represent the capital lease payments on the R2CTPO's various copier lease obligations.

### **Economic Factors and Next Year's Budgets and Rates**

The overall financial position and results of operations for the R2CTPO remained constant for the period ended June 30, 2020. The R2CTPO operated within its internal budget constraints and operating reserves to help meet planned future contractual obligations. It is expected that the Organization's net position will remain stable for the remainder of the next year.

Many factors are considered each year by the R2CTPO in its efforts to establish an operating budget, to evaluate its personnel needs and to develop uniform membership and user fees that are reasonable and, more importantly, capable of cost recovery. Some of the major factors considered in this process are the local economy, civilian labor force, unemployment rates and inflation rates.

- The most recent estimates available for unemployment data in Volusia County, Florida are compiled by the Florida Agency for Workforce Innovation on the Florida Research and Economic Information Database Application (FREIDA). This agency estimates a countywide unemployment rate of 7.1% at the end of August 2020. This rate is higher than the countywide rate of 3.7% experienced approximately one year earlier.
- Inflationary trends for Volusia County compare favorably with those trends experienced at the state and national levels.

### **Requests for Information**

This financial report is designed to provide a general overview of the R2CTPO's finances for all those who have expressed an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, River to Sea Transportation Planning Organization, 2570 W. International Drive, Suite 100, Daytona Beach, Florida 32114.



***BASIC FINANCIAL STATEMENTS***

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**STATEMENT OF NET POSITION****Statement 1**

June 30, 2020

RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

	Governmental Activities
Assets:	
Cash and cash equivalents.....	\$ 50,668
Investments.....	134,851
Due from other governments.....	492,920
Refundable deposits.....	6,500
Capital assets, net of accumulated depreciation.....	<u>62,908</u>
Total assets.....	<u>\$ 747,847</u>
Deferred Outflows of Resources:	
Deferred amounts related to pensions.....	<u>143,738</u>
Liabilities:	
Accounts payable.....	106,935
Accrued liabilities.....	14,740
Unearned revenue.....	25,379
Compensated absences.....	33,702
Long-term liabilities:	
Portion due or payable within one year.....	4,776
Portion due or payable after one year.....	9,552
Net pension liability.....	<u>266,541</u>
Total liabilities.....	<u>461,625</u>
Deferred Inflows of Resources:	
Deferred amounts related to pensions.....	<u>30,157</u>
Net Position:	
Invested in capital assets, net of related debt.....	48,580
Unrestricted.....	<u>351,223</u>
Total net position.....	<u>\$ 399,803</u>

The accompanying notes are an integral part of the financial statements.

**STATEMENT OF ACTIVITIES****Statement 2**

For the Year Ended June 30, 2020

RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Service	Operating Grants Contributions	Capital Grants Contributions	
Governmental Activities:					
General government.....	\$ 98,566	\$ 59,506	\$ -	\$ -	\$ (39,060)
Transportation.....	<u>1,508,234</u>	<u>-</u>	<u>1,467,629</u>	<u>-</u>	<u>(40,605)</u>
Total governmental activities.....	<u>\$ 1,606,800</u>	<u>\$ 59,506</u>	<u>\$ 1,467,629</u>	<u>\$ -</u>	(79,665)
General revenues:					
Investment earnings.....					<u>2,957</u>
Change in net position.....					(76,708)
Net position, beginning.....					<u>476,511</u>
Net position, ending.....					<u>\$ 399,803</u>

The accompanying notes are an integral part of the financial statements.

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**
**Statement 3**

June 30, 2020

RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

	General Fund	Revenue Fund	Total
<b>Assets:</b>			
Cash and cash equivalents.....	\$ 50,668	\$ -	\$ 50,668
Investments.....	134,851	-	134,851
Due from other governments.....	-	492,920	492,920
Due from other funds.....	413,068	-	413,068
Refundable deposits.....	<u>6,500</u>	<u>-</u>	<u>6,500</u>
Total assets.....	<u>605,087</u>	<u>492,920</u>	<u>1,098,007</u>
<b>Liabilities:</b>			
Accounts payable.....	41,823	65,112	106,935
Accrued liabilities.....	-	14,740	14,740
Unearned revenue.....	25,379	-	25,379
Due to other funds.....	<u>-</u>	<u>413,068</u>	<u>413,068</u>
Total liabilities.....	<u>67,202</u>	<u>492,920</u>	<u>560,122</u>
<b>Fund Balances:</b>			
Nonspendable:			
Refundable deposits.....	6,500	-	6,500
Unassigned.....	<u>531,385</u>	<u>-</u>	<u>531,385</u>
Total fund balance.....	<u>537,885</u>	<u>-</u>	<u>537,885</u>
Total liabilities and fund balance.....	<u>\$ 605,087</u>	<u>\$ 492,920</u>	
Amounts reported for governmental activities in the statement of net position are different because of the following:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.....			62,908
Deferred outflows related to pensions.....			143,738
Deferred inflows related to pensions.....			(30,157)
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds. These liabilities and other debt related deferred charges consist of the following:			
Capital lease obligations (long-term debt).....			(14,328)
Compensated absences (long-term debt).....			(33,702)
Net pension liability.....			<u>(266,541)</u>
Net position of governmental activities .....			<u>\$ 399,803</u>

The accompanying notes are an integral part of the financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**
**Statement 4**

For the Year Ended June 30, 2020

RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

	General Fund	Special Revenue Fund	Total
<b>Revenues:</b>			
Intergovernmental.....	\$ -	\$ 1,467,629	\$ 1,467,629
Charges for services.....	59,506	-	59,506
Investment earnings.....	2,957	-	2,957
Miscellaneous.....	-	-	-
Total revenues.....	<u>62,463</u>	<u>1,467,629</u>	<u>1,530,092</u>
<b>Expenditures:</b>			
Current:			
General Government:			
Materials and services.....	<u>113,407</u>	-	<u>113,407</u>
Transportation:			
Personal services.....	-	675,844	675,844
Materials and services.....	-	787,688	787,688
Capital outlay.....	-	<u>4,097</u>	<u>4,097</u>
	-	<u>1,467,629</u>	<u>1,467,629</u>
Total expenditures.....	<u>113,407</u>	<u>1,467,629</u>	<u>1,581,036</u>
Net change in fund balances.....	(50,944)	-	(50,944)
Fund balances, beginning of year.....	<u>588,829</u>	-	<u>588,829</u>
Fund balances, end of year.....	<u>\$ 537,885</u>	<u>\$ -</u>	<u>\$ 537,885</u>

The accompanying notes are an integral part of the financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL FUND  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES**

**Statement 4  
(continued)**

For the Year Ended June 30, 2020

RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

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Net change in fund balances - total governmental funds.....	\$	(50,944)
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Amounts reported for governmental activities in the statement of activities  
are different because of the following:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period:

Capital outlay expenditures.....	\$	27,338	
Depreciation expense.....		<u>(13,176)</u>	14,162

Repayment of principal on debt obligations, including capital leases, is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:

Principal paid on capital leases.....	4,776
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The (increase) decrease in net pension liabilities, deferred outflows and inflows are reported in the statement of activities, but not in the individual governmental fund statements, as follows:

Deferred outflows - pension plans.....	6,032	
Deferred inflows - pension plans.....	7,091	
Net pension liability.....	<u>(48,310)</u>	(35,187)

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. This adjustment is for the following:

(Increase) decrease in compensated absences liabilities.....	<u>(9,515)</u>
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Change in net position of governmental activities.....	<u>\$ (76,708)</u>
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The accompanying notes are an integral part of the financial statements.

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL FUND**

**Statement 5**

For the Year Ended June 30, 2020

RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

	Budget Amounts			
	Original	Final	Actual	Variance
Revenues:				
Charges for services.....	\$ 146,818	\$ 146,818	\$ 59,506	\$ (87,312)
Investment earnings.....	1,200	1,200	2,957	1,757
Total revenues.....	148,018	148,018	62,463	(85,555)
Expenditures:				
Current:				
General Government:				
Operating expenditures.....	148,018	148,018	113,407	34,611
Total expenditures.....	148,018	148,018	113,407	34,611
Excess (deficit) of revenues over (under) expenditures.....	-	-	(50,944)	(50,944)
Fund balances, beginning of year.....	588,829	588,829	588,829	-
Fund balance, end of year.....	\$ 588,829	\$ 588,829	\$ 537,885	\$ (50,944)

The accompanying notes are an integral part of the financial statements.



**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
SPECIAL REVENUE FUND**

**Statement 6**

For the Year Ended June 30, 2020

RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

	Budget Amounts			
	Original	Final	Actual	Variance
Revenues:				
Intergovernmental:				
Federal awards.....	\$ 1,682,371	\$ 1,682,371	\$ 1,369,571	\$ (312,800)
State financial assistance.....	61,880	61,880	58,014	(3,866)
Local grants and awards.....	<u>55,420</u>	<u>55,420</u>	<u>40,044</u>	<u>(15,376)</u>
Total revenues.....	<u>1,799,671</u>	<u>1,799,671</u>	<u>1,467,629</u>	<u>(332,042)</u>
Expenditures:				
Current:				
Transportation:				
Personal services.....	728,133	728,133	675,844	52,289
Operating expenditures.....	1,064,038	1,064,038	787,688	276,350
Capital outlay.....	<u>7,500</u>	<u>7,500</u>	<u>4,097</u>	<u>3,403</u>
Total expenditures.....	<u>1,799,671</u>	<u>1,799,671</u>	<u>1,467,629</u>	<u>332,042</u>
Excess (deficit) of revenues over (under) expenditures.....	-	-	-	-
Fund balance, beginning of year.....	-	-	-	-
Fund balance, end of year.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

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***NOTES TO THE FINANCIAL STATEMENTS***

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**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2020

RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of River to Sea Transportation Planning Organization (“R2CTPO”) have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body promulgating governmental accounting and financial reporting principles. The following is a summary of its significant accounting policies:

**A. Reporting Entity**

The R2CTPO is designated as a Metropolitan Planning Organization pursuant to Title 23 U.S.C. 134, Title 49 U.S.C. 5303(d) and (e) and Title 23 C.F.R. 450.310. Its primary purpose is to provide leadership in the initiation and development of transportation plans and programs and the establishment of transportation priorities and strategies in Volusia County, Flagler Beach, Beverly Beach and portions of Palm Coast and Bunnell, Florida. Members are appointed by the governing bodies of the participating local government units. The R2CTPO was originally created on April 13, 1977, as the Volusia County Metropolitan Planning Organization and operates under interlocal agreements established pursuant to Chapter 163.01, Florida Statutes, among the various participating governmental entities. As of April 23, 2014, Volusia Transportation Planning Organization officially changed its name to River to Sea Transportation Planning Organization.

The accompanying financial statements present the financial position and results of operations of the applicable funds controlled by or dependent on R2CTPO. In evaluating R2CTPO as a reporting entity, management has addressed all potential component units for which the entity may or may not be financially accountable and, as such, be includable within R2CTPO’s financial statements. No component units exist which would require inclusion in R2CTPO’s financial statements.

**B. Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the financial activities of R2CTPO. The effect of interfund activities, when applicable, has been removed from these statements. All of R2CTPO’s activities are governmental activities which are supported from population-based service fee assessments to its government-member organizations. R2CTPO does not engage in any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) intergovernmental revenues, which includes operating grants and financial assistance received from federal, state, and local government units, 2) charges for services, which includes member assessments and reimbursements for program costs incurred to conduct specialized program studies, and 3) miscellaneous revenues. General revenues include interest earnings. Fund financial statements are presented for R2CTPO’s general and special revenue funds. Both funds are considered to be “major” funds.

**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 as earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Charges for services are recognized

**NOTES TO THE FINANCIAL STATEMENTS – (Continued)**

June 30, 2020

**RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION**

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as revenue in the year for which they are assessed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. When both restricted and unrestricted resources are available for use, it is R2CTPO's policy to use restricted resources first, then unrestricted resources as they are needed.

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, R2CTPO considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and long-term lease agreements are recorded only when payment is due. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

The R2CTPO's accounts are organized on the basis of funds each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of the governmental fund financial statements is on major funds, as defined and determined based on criteria established under Governmental Accounting Standards Boards Statement No. 34.

The R2CTPO reports the following major governmental funds:

The General Fund is the R2CTPO's primary operating fund. It accounts for all financial resources of the organization, except those required to be accounted for in another fund.

The Special Revenue Fund is used to account for the financial resources related to the planning and programming activities of the organization. Funds are provided from the Florida Department of Transportation, the Federal Highway Administration, and the Federal Transit Administration.

**D. Budgets and Budgetary Accounting**

On or before July 1 of each year, the R2CTPO adopts an annual budget on a generally accepted accounting principles (GAAP) basis sufficient to support the anticipated Unified Planning Work Program (UPWP) for the year. The budget is adopted at the fund level and includes combined revenues from all sources, including federal, state, local and private grants-in-aid, contracts, fees, and such other funding sources legitimately available to the R2CTPO. The level of budget control is at the UPWP task level.

**E. Deposits and Investments**

R2CTPO's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

R2CTPO's corporate charter authorizes investments in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Board of Administration Local Government Surplus Trust Fund Pool.

**NOTES TO THE FINANCIAL STATEMENTS – (Continued)**

June 30, 2020

**RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION**

All of the R2CTPO's investments are reported at fair value, with the exception of investments in the SEC Rule 2a7-like pools (State Board of Administration Local Government Surplus Trust Fund Pool) which are stated at cost, or amortized cost, and are the same as the fair value of pool shares.

**F. Receivables**

All receivables and amounts due from other governments are reported net of an allowance for uncollectible accounts, when applicable, which is based upon management's analysis of historical trends.

**G. Capital Assets**

Capital assets, which include office furniture, fixtures and equipment, are reported in the government-wide financial statements. Capital assets are defined by R2CTPO as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. 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 has been provided on capital assets as a direct charge using the straight-line method over the estimated useful lives of the various classes of depreciable assets, which range from 3-7 years.

**H. Compensated Absences**

It is R2CTPO's policy to grant employees personal leave based upon the number of years of employment with the R2CTPO. Employees are permitted to accumulate earned paid time off (PTO) credits for unused vacation, illness or injury, and personal leave benefits. The amount of paid time off available to the employee increases with the length of employment as follows:

<u>Years of Eligible Service</u>	<u>PTO Hours</u>	<u>PTO Days</u>
	<u>Bi-weekly</u>	<u>Annually</u>
Upon initial eligibility .....	7.38 hrs.	24 days
After 5 years service .....	8.31 hrs.	27 days
After 13 years service .....	9.85 hrs.	32 days
After 20 years service .....	10.15 hrs.	33 days

R2CTPO's employees may accumulate paid time off credits up to a maximum of 520 hours. After an employee has accumulated over 240 hours, the employee may elect to sell back as many as 48 hours of credits at their base rate of pay at the date of the sale (limited to one time per year during the month of September). Upon termination, employees will be paid for all accumulated paid time off credits.

**I. Pensions**

In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting. Employer and plan member contributions to defined contribution pension plans are recognized in the period that the contributions are due. For its defined benefit plans, the R2CTPO recognizes a net pension liability, which represents the R2CTPO's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined

**NOTES TO THE FINANCIAL STATEMENTS – (Continued)**

June 30, 2020

RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

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benefit plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the FRS defined benefit plan and the HIS defined benefit plan and additions to/deductions from the FRS and the HIS fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**J. Unearned Revenue**

Unearned revenues are reported when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the entity before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when R2CTPO has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

**K. Grants**

Revenues received or used from grants for governmental funds are recognized as current revenues when they become subject to accrual, that is both measurable and available (modified accrual basis).

**L. Long-term Obligations**

In the government-wide financial statements, long-term obligations (capital leases) are reported as liabilities in the governmental activities statement of net position.

**M. Deferred Outflows/inflows of Resources**

In addition to assets, when applicable the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, when applicable the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**N. Net Position Flow Assumption**

Sometimes the organization will fund outlays for a particular purpose from both restricted (e.g., restricted fund or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the R2CTPO's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.



**NOTES TO THE FINANCIAL STATEMENTS – (Continued)**

June 30, 2020

RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

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**O. Fund Balance Flow Assumptions**

Sometimes the entity will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the R2CTPO's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**P. Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The R2CTPO itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board is the highest level of decision-making authority for the entity that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the entity for specific purposes but do not meet the criteria to be classified as committed. The Board is authorized to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash such as prepaid amounts.

Unassigned fund balance is the residual classification for the general fund. 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.

**Q. 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.

**NOTES TO THE FINANCIAL STATEMENTS – (Continued)**

June 30, 2020

RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

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**R. New Accounting Pronouncements**

The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements:

- Statement 84, *"Fiduciary Activities."* The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The implementation of this statement had no significant effect on the financial statements.
- Statement No. 90, *Major Equity Interests.* The objective of this Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization. The implementation of this statement had no significant effect on the financial statements.

The following Governmental Accounting Standards Board (GASB) Statements will be implemented in future financial statements:

- Statement No. 87, *Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It is anticipated that no action will be required by the Organization to implement this Statement. The provisions of this Statement are effective for reporting periods beginning after December 15, 2019.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period.* The objectives of this Statement are to improve relevance and comparability about capital assets and the related cost of borrowing as well as simplify the accounting for interest costs incurred before the end of a construction period. It is anticipated that no action will be required by the Organization to implement this Statement. The provisions of this Statement are effective for reporting periods beginning after December 15, 2019.
- Statement No. 91, *Conduit Debt Obligations.* The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. It is anticipated that no action will be required by the Organization to implement this Statement. The provisions of this Statement are effective for reporting periods beginning after December 15, 2020.
- Statement No. 92, *Omnibus 2020.* The objective of this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. It is anticipated that no action will be required by the Organization to implement this Statement. The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.
- Statement No. 93, *Replacement of Interbank Offered Rates.* The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. It is anticipated that no action will be required by the Organization to implement this Statement. The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

**NOTES TO THE FINANCIAL STATEMENTS – (Continued)**

June 30, 2020

RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. It is anticipated that no action will be required by the Organization to implement this Statement. The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.
- Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAS) for governments. It is anticipated that no action will be required by the Organization to implement this Statement. The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. It is anticipated that no action will be required by the Organization to implement this Statement. The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

**NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS****A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the 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 Balance and the Statement of Activities**

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

**NOTES TO THE FINANCIAL STATEMENTS – (Continued)**

June 30, 2020

RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

**NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY****A. Budgetary Information**

Individual annual budgets were adopted for R2CTPO's governmental funds. The basis on which the budgets were prepared is consistent with generally accepted accounting principles for the fund. All annual appropriations lapse at fiscal yearend.

No later than 60 days prior to fiscal year end, the proposed budget is presented to the Board of Directors for review. The Board holds public meetings and a final budget must be prepared and legally adopted prior to June 30. The annual budget is prepared by department and object. Transfers of appropriations between departments require approval of the Board. The legal level of budgetary control is at the departmental level. During the current period, the Executive Board transferred budgetary appropriations in the special revenue fund to reflect changes in awards and promotion activities incurred during the year.

It is not R2CTPO's policy to use encumbrance accounting, under which, purchases orders, contracts, and other commitments are recorded as an extension of formal budgetary integration.

**NOTE 4 - CASH DEPOSITS AND INVESTMENTS**

**Deposits.** At June 30, 2020, the carrying value of R2CTPO's cash deposit accounts was \$50,568, while the bank balance totaled \$51,483. The cash deposits are held by a bank that qualifies as public depository under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes and are fully insured. Amounts reported in the financial statements include \$100 in cash funds on hand at the end of the fiscal year.

**Investments.** As of June 30, 2020, R2CTPO had the following investments and maturities:

Investment Type	Fair Value	Less Than 1	From 1 - 5	From 6 - 10
Local Government Investment Pool:				
State Board of Administration, Local				
Government Surplus Trust Fund				
Investment Pool				
Florida PRIME.....	\$ 134,851	\$ 134,851	\$ -	\$ -

The R2CTPO's investments consist of amounts invested in the Local Government Surplus Trust Fund managed by the Florida State Board of Administration (SBA). The SBA is part of the Local Government Surplus Trust Fund and is governed by Chapter 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of the Local Government Surplus Trust Fund. As a Florida PRIME pool participant, R2CTPO invests in a pool of investments whereby R2CTPO owns a share of the respective pool, not the underlying securities.

GASB 31 outlines the two options for accounting and reporting for money market investment pools as either "2a-7 like" or fluctuating net asset value (NAV). GASB 31 describes a "2a-7 like" pool as an "external investment pool that is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with Rule 2a-7 under the Investment Company Act of 1940 (the "1940 Act"). Rule 2a-7 is the rule that

**NOTES TO THE FINANCIAL STATEMENTS – (Continued)**

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RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

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permits money market funds to use amortized cost to maintain a constant NAV of \$1.00 per share, provided that such funds meet certain conditions. The SBA's interpretation of GASB 31 is that the Florida PRIME is currently considered an SEC "2a-7 like" fund, thus the account balance should also be considered the fair value of the investment.

**Interest Rate Risk.** R2CTPO does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rates. Instead, all investments are governed by state statutes. Generally, all of R2CTPO's surplus funds are invested in the Local Government Surplus Trust Fund. Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. GASB 40 requires that interest rate risk be disclosed using one of the five approved methods. The five methods are segmented time distribution, specific identification, weighted average maturity (WAM), duration, and simulation model. Different methods may be presented for different types of investments.

Interest rate risk disclosures are required for all debt investments as well as investments in mutual funds, external investment pools, and other pooled investments that do not meet the definition of a "2a-7 like" pool. At June 30, 2020, the WAM of the Florida PRIME is 53 days. An estimate of weighted average life (WAL) is available. In the calculation of WAL, the time at which an expected principal amount is to be received (measured in years) is weighted by the principal amount received at that time divided by the sum of all expected principal payments. The principal amounts used in the WAL calculation are not discounted to present value as they would be in a weighted average duration calculation.

**Credit Risk.** R2CTPO's investment policies are governed by state statutes which allow the government to invest in Local Government Surplus Trust Fund Investment Pool, authorized government investment pools, Securities and Exchange Commission registered money market funds (with rating exceptions), interest bearing time deposits of savings accounts in qualified public depositories, and direct obligations of the U.S. Treasury. The Florida PRIME is rated by Standard and Poors, with a rating of AAAM as of June 30, 2020.

**Concentrations of Credit Risk.** R2CTPO places no limit on the amounts it invests in any one issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded from the concentration of credit risk disclosure requirements.

**Custodial Credit Risk.** Custodial credit risk is the risk that in the event of a failure of a depository, R2CTPO's deposits may not be returned to it. R2CTPO does not have a deposit policy for custodial risk.

Pursuant to the applicable provisions of Chapter 280, Florida Statutes, *The Florida Security for Public Deposits Act* ("the Act"), the State of Florida, Department of Financial Services, Division of Treasury, Bureau of Collateral Management have established specific requirements relative to security and collateralization for public deposits. Accordingly, banks qualifying as a public depository in the State of Florida must adopt the necessary procedures outlined in these statutes and meet all of the requirements of this chapter to be designated by the State's Chief Financial Officer as eligible to receive deposits from municipal depositors. Collateral having a market value equal to 50% of the average daily balance for each month of all public deposits in excess of any applicable depository insurance is required to be pledged or deposited with the State's Chief Financial Officer to secure such deposits. Additional collateral, up to a maximum of 125% may be required if deemed necessary under the conditions set forth in the Act. Securities eligible to be pledged as collateral are generally limited to obligations of the United States government and any state thereof and are held in the name of the State Chief Financial Officer's office.

**NOTES TO THE FINANCIAL STATEMENTS – (Continued)**

June 30, 2020

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Compliance with the provisions of Chapter 280, Florida Statutes, is monitored by a Qualified Public Depository Oversight Board with members appointed by the State Chief Financial Officer.

At June 30, 2020, the carrying amount of R2CTPO's deposits in the Local Government Surplus Funds Trust Fund was \$134,841, all of which was covered by federal depository insurance and the statutory provisions of the Act.

**NOTE 5 - DISAGGREGATION OF RECEIVABLES AND PAYABLES**

**Receivables:** Amounts are aggregated into single accounts receivable (net of allowance for uncollectible accounts) lines for certain funds and aggregated columns. Below is a detail of receivables anticipated to be collected within an operating cycle:

Due from other governments:	
Special Revenue Fund:	
Due from Florida Department of Transportation.....	\$ 492,920
Less: allowance for doubtful accounts.....	<u>                    -</u>
Total receivables, net.....	<u><u>\$ 492,920</u></u>

**Payables:** Amounts are aggregated into accounts payable and accrued liabilities lines for certain funds and aggregated columns. Below is a detail of payables anticipated to be paid within an operating cycle:

Accounts payable.....	\$ 106,935
Accrued liabilities:	
Accrued payroll.....	<u>\$ 14,740</u>
	<u>14,740</u>
Total accounts payable and accrued liabilities.....	<u><u>\$ 121,675</u></u>

**NOTE 6 – INTERFUND BALANCES**

The outstanding balances between funds result mainly from the time lag between the dates reimbursable expenditures occur and when the R2CTPO is actually reimbursed by grantor agencies. As a result, advances from the general fund are required to finance these costs until reimbursement is received. Individual fund interfund receivables and payables at June 30, 2020, amounted to \$413,068.

**NOTE 7 - CAPITAL ASSETS**

The following is a summary of changes in capital assets during the year ended June 30, 2020:

Function/Source	Balances 6/30/2019	Additions	Deletions	Balances 6/30/2020
Office furniture, fixtures, and equipment...	\$ 109,975	\$ 27,338	\$ (4,411)	\$ 132,902
Less: accumulated depreciation.....	<u>(61,229)</u>	<u>(13,176)</u>	<u>4,411</u>	<u>(69,994)</u>
Total capital assets, net of accumulated depreciation.....	<u><u>\$ 48,746</u></u>	<u><u>\$ 14,162</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 62,908</u></u>

**NOTES TO THE FINANCIAL STATEMENTS – (Continued)**

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RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

Depreciation expense for the year totaled \$13,176 and was allocated to the general government.

**NOTE 8 - OPERATING LEASES**

R2CTPO leases building and office facilities under a non-cancelable operating lease that was originally signed on July 1, 2010. This lease was amended on March 28, 2018. The amended lease provides for current monthly base rent payments of \$6,192. In addition to the monthly base rent, the lease provides that the lessee will reimburse the lessor for its pro-rata share of contingent charges (specified common area maintenance and taxes) which based on the amended lease are currently billed at \$2,768 per month. At the end of each annual rental year, all actual contingent facilities common area costs are recalculated by the lessor to determine a pro-rata true-up adjustment which is billed (or refunded) to R2CTPO at the start of each annual rental cycle. This lease is accounted for as an operating lease and contains an option to be cancelled in the event annual appropriations are not authorized. This lease expires April 1, 2028. Actual lease expense for the year ended June 30, 2020 totaled \$101,542.

The future minimum lease payments (excluding estimated contingent rentals) for the next five years under this agreement are as follows:

<u>Year ending</u>	<u>Total Amount</u>
June 30, 2021.....	\$ 74,304
June 30, 2022.....	74,955
June 30, 2023.....	76,908
June 30, 2024.....	77,559
June 30, 2025.....	<u>79,512</u>
Totals.....	<u>\$ 383,238</u>

**NOTE 9 – LONG-TERM DEBT**

The Organization's long-term debt outstanding at June 30, 2020, is as follows:

	<u>Balance Due</u>	<u>Current Maturities</u>
Capital Lease Obligations:		
\$19,104 capital lease for office equipment, dated 6/28/2018, payable in monthly installments of \$398 through 6/28/2023, with no interest, secured with office equipment with a book value of \$14,328 at 6/30/2020	\$ 14,328	\$ 4,776
Compensated absences.....	33,702	5,055
Net pension liability.....	<u>266,541</u>	<u>-</u>
Totals.....	<u>\$ 314,571</u>	<u>\$ 9,831</u>

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**RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION**

A summary of changes in the Organization's long-term debt for the year ended June 30, 2020, is as follows:

	Balance 6/30/2019	Additions	Deletions	Balance 6/30/2020
Capital lease obligations.....	\$ 19,104	\$ -	\$ (4,776)	\$ 14,328
Compensated absences.....	24,187	53,330	(43,815)	33,702
Net pension liability.....	<u>218,231</u>	<u>-</u>	<u>48,310</u>	<u>266,541</u>
Totals.....	<u>\$ 261,522</u>	<u>\$ 53,330</u>	<u>\$ (281)</u>	<u>\$ 314,571</u>

Amortization of leased equipment under capital assets is included with depreciation expense.

**NOTE 10 - STATE FINANCIAL ASSISTANCE**

During the year ended June 30, 2020, R2CTPO received funds from the State of Florida in the form of State Financial Assistance (\$30,474), as well as additional funds representing the state's pro-rata portion of matching funds (\$22,416) required as the state's matching funds for federal contracts received under its Unified Planning Work Program (UPWP) for Fiscal Year 2019/2020, adopted April 25, 2018. Since the threshold for the Florida Single Audit Act is \$750,000, an audit under the Florida Single Audit Act was not required and was not performed. During the year ended June 30, 2020, these funding amounts are summarized as follows:

**State Financial Assistance**

State Agency/Project	Contract	Total Expenditures
State Financial Assistance:		
Florida Department of Transportation:		
Commission for the Transportation Disadvantaged (2020).....	G1889	\$ 30,474
Total.....		<u>\$ 30,474</u>
Funding provided in the form of state matching of federal grants:		
Florida Department of Transportation:		
Transit Technical Studies Grant:		
Fiscal Year 2016-2017.....	G0H73	\$ 301
Fiscal Year 2017-2018.....	G0H73	1,406
Fiscal Year 2018-2019.....	G1369	7,738
Fiscal Year 2018-2019.....	G1H15	<u>12,971</u>
Total.....		<u>\$ 22,416</u>



**NOTES TO THE FINANCIAL STATEMENTS – (Continued)**

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RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

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**NOTE 11 - EMPLOYEE PENSION PLANS****A. Defined Contribution Plan**

The R2CTPO contributes to a defined contribution pension plan for all full-time employees who were employed prior to July 1, 2009, which is fully administered by the Principal Financial Group under a plan originally established by the Board of Directors in October 1980. On June 23, 2009, the Board approved Resolution 2009-13, amending the pension plan to allow for the conversion to the Florida Retirement System, effective July 1, 2009. As a result of these actions, only two employees have remained in the original plan. New employees are only eligible to enroll into the Florida Retirement System.

Plan provisions, benefit terms and contribution requirements are established and may be amended by the Board. Employer and plan member contributions are recognized in the period that contributions are due. For each participating employee in the pension plan, the R2CTPO is required to contribute 9.85% of employees' earnings to an individual employee account. Employees are permitted to make contributions to the pension plan, up to applicable Internal Revenue code limits. During the year ended June 30, 2020, employee contributions totaled \$-0-, and the employer recognized pension expense of \$15,683. Each employee participating in the Principal purchase pension plan will become 100% vested after one year of employment with the R2CTPO. If the employee becomes separated from employment with the R2CTPO prior to achieving one year of service, the employer's contribution to that employee's account is forfeited by that employee. All employee forfeitures remain in the account for the R2CTPO's use in offsetting its next contribution. An additional deferred compensation plan is also offered that allows all employees to contribute additional funds for retirement on a voluntary basis via payroll deduction.

**B. Florida Retirement System (FRS) - Defined Benefit Pension Plans**

**General Information About the FRS.** The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the R2CTPO who were employed after June 30, 2009 are eligible to enroll as members of the State-administered FRS. 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. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:

[www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications)

**NOTES TO THE FINANCIAL STATEMENTS – (Continued)**

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RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

**Plan Description.** The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The R2CTPO's general class of membership is as follows:

- Regular Class - Members of the FRS who do not qualify for membership in the other classes.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 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 the Plan 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 to eligible participants.

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 participating 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. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**Benefits Provided.** 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 class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
<b><i>Regular Class members initially enrolled before July 1, 2011:</i></b>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<b><i>Regular Class members initially enrolled on or after July 1, 2011:</i></b>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68

**NOTES TO THE FINANCIAL STATEMENTS – (Continued)**

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**RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION**

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

**Contributions.** The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2018-1019 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	8.47
DROP - Applicable to Members of the Above Class	0.00	14.60
FRS, Reemployed Retiree	(2)	(2)

Notes: (1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed, when applicable.

The R2CTPO's employer and employee contributions to the FRS Plan totaled \$7,895 and \$3,108, respectively, for the fiscal year ended June 30, 2020. This excludes HIS defined benefit pension plan contributions of \$5,553 and FRS Investment Plan contributions of \$14,121.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At June 30, 2020, the R2CTPO reported a liability of \$167,858 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The R2CTPO's proportionate share of the net pension liability was based on the R2CTPO's 2018-2019 fiscal year contributions relative to the 2018-2019 fiscal year contributions of all participating members based on a June 30, 2019 fiscal year. At June 30, 2019, the R2CTPO's proportionate share was 0.000487411 percent, which was an increase of 0.00049034 percent from its proportionate share measured as of June 30, 2018 of 0.000438377 percent.

For the fiscal year ended June 30, 2020, the R2CTPO recognized Plan pension expense of \$28,032. In addition, the R2CTPO reported deferred outflows of resources and deferred inflows of resources related to pensions (based on the actuarial valuation dated July 1, 2019) from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 9,956	\$ 104
Change of assumptions	43,113	-
Net difference between projected and actual earnings on FRS pension plan investments	-	9,287
Changes in proportion and differences between employer FRS contributions and proportionate share of contributions	25,042	6,977

**NOTES TO THE FINANCIAL STATEMENTS – (Continued)**

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**RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION**

Employer FRS contributions subsequent to the measurement date	<u>14,989</u>	<u>-</u>
Total	<u>\$ 93,100</u>	<u>\$ 16,368</u>

The deferred outflows of resources related to pensions, totaling \$14,989, resulting from the R2CTPO's contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2021	\$ 19,453
2022	8,392
2023	15,158
2024	12,322
2025	5,859
Thereafter	<u>559</u>
	<u>\$ 61,743</u>

**Actuarial Assumptions.** The total pension liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	6.90 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. 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. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.00%	3.00%	3.00%	1.80%
Fixed income	18.00%	4.50%	4.40%	4.20%
Global equity	53.00%	7.80%	6.60%	17.00%
Real Estate (Property)	10.00%	6.60%	5.90%	12.80%
Private Equity	6.00%	11.50%	7.80%	30.00%
Strategic investments	12.00%	6.10%	5.60%	9.70%
Total	<u>100.00%</u>			
Assumed Inflation - Mean		2.60%		1.90%

Note: (1) As outlined in the Plan's Investment Policy

**NOTES TO THE FINANCIAL STATEMENTS – (Continued)**

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**Calculation of Money-Weighted Rate of Return.** For the year ended June 30, 2019, the annual money-weighted rate of return on FRS pension plan investments, net of pension plan investment expense, was 5.98 percent. The money-weighted rate of return considers the changing amounts estimated as invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. Cash flows are estimated on a monthly basis and are assumed to occur at the beginning of each month. Cash inflows are netted with cash outflows, resulting in a net cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

**Discount Rate.** The discount rate used to measure the total pension liability was 6.90 percent. 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.

**Sensitivity of the R2CTPO's Proportionate Share of the Net Position Liability to Changes in the Discount Rate.** The following presents the R2CTPO's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the R2CTPO's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	1% Decrease <u>(5.90%)</u>	Current Discount Rate <u>(6.90%)</u>	1% Increase <u>(7.90%)</u>
The R2CTPO's proportionate share of the net pension liability	<u>\$ 290,170</u>	<u>\$ 167,858</u>	<u>\$ 65,706</u>

**Pension Plan Fiduciary Net Position.** Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

**Payables to the FRS Pension Plan.** At June 30, 2020, the R2CTPO reported a payable of \$-0- for the outstanding amount of contributions to the FRS Plan required for the fiscal year ended June 30, 2020.

### **C. HIS Pension Plan (Defined Benefit Pension Plan)**

**Plan Description.** The HIS Pension Plan (Health Insurance Subsidy) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

**Benefits Provided.** For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

**Contributions.** The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active

**NOTES TO THE FINANCIAL STATEMENTS – (Continued)**

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**RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION**

FRS members. For the fiscal year ended June 30, 2020, the HIS contribution rate was 1.66% of payroll pursuant to section 112.363, Florida Statutes. The R2CTPO contributed 100 percent of its statutorily required contributions for the current and preceding 5 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The R2CTPO's contributions to the HIS Plan totaled \$5,553 for the fiscal year ended June 30, 2020.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions.*** At June 30, 2020, the R2CTPO reported a net pension liability of \$98,683 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The R2CTPO's proportionate share of the net pension liability was based on the R2CTPO's 2018-2019 fiscal year contributions relative to the total 2018-2019 fiscal year contributions of all participating members. At June 30, 2019, the R2CTPO's proportionate share was 0.000881963 percent, which was an increase of 0.000067631 percent from its proportionate share measured as of June 30, 2018, of 0.000814332 percent.

For the fiscal year ended June 30, 2020, the R2CTPO recognized HIS Plan pension expense of \$7,155. In addition, the R2CTPO reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,199	\$ 121
Change of assumptions	11,427	8,066
Net difference between projected and actual earnings on HIS pension plan investments	64	-
Changes in proportion and differences between employer HIS contributions and proportionate share of contributions	32,394	5,602
Employer HIS contributions subsequent to the measurement date	<u>5,554</u>	<u>-</u>
Total	<u>\$ 50,638</u>	<u>\$ 13,789</u>

The deferred outflows of resources related to pensions, totaling \$5,554, resulting from the R2CTPO's contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2021	\$ 7,277
2022	6,894
2023	6,199
2024	4,748

**NOTES TO THE FINANCIAL STATEMENTS – (Continued)**

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RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

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2025	5,469
Thereafter	<u>708</u>
	<u>\$ 31,295</u>

**Actuarial Assumptions.** The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	3.50 percent

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

**Discount Rate.** The discount rate used to measure the total pension liability was 3.50 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

**Sensitivity of the R2CTPO's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following presents the R2CTPO's proportionate share of the net pension liability calculated using the discount rate of 3.50 percent, as well as what the R2CTPO's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.50 percent) or 1 percentage point higher (4.50 percent) than the current rate:

	1% Decrease <u>(2.50%)</u>	Current Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
The R2CTPO's proportionate share of the net pension liability	<u>\$ 112,652</u>	<u>\$ 98,683</u>	<u>\$ 87,049</u>

**Pension Plan Fiduciary Net Position.** Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

**Payable to the HIS Pension Plan -** At June 30, 2020, the R2CTPO reported a payable of \$-0- for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2020.

**D. FRS – Investment Plan (Defined Contribution Pension Plan)**

The R2CTPO contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA's annual financial statements and in the State of

**NOTES TO THE FINANCIAL STATEMENTS – (Continued)**

June 30, 2020

**RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION**

Florida Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. R2CTPO employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Allocations to the investment member's accounts during the 2019-2020 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer</u>
FRS, Regular	0.00	6.30

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended June 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the R2CTPO.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The R2CTPO's employer and employee contributions to the FRS Investment Plan totaled \$14,121 and \$6,221 respectively, for the fiscal year ended June 30, 2020.

***Payable to the FRS Investment Plan*** - At June 30, 2020, the R2CTPO reported a payable of \$-0- for the outstanding amount of contributions to the FRS Investment Plan required for the fiscal year ended June 30, 2020.



**NOTES TO THE FINANCIAL STATEMENTS – (Continued)**

June 30, 2020

RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

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**NOTE 12 -DEFERRED EMPLOYEE BENEFITS**

The R2CTPO provides all their employees with a deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code plan which is fully administered by Nationwide Retirement Solutions. The R2CTPO contributed \$907 to this plan for the year ended June 30, 2020. Employee contributions are discretionary and determined by the employee, subject to the individual limitations contained in Section 457 of the Internal Revenue Code. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. Amounts contributed by participating employees to the plan during the year ended June 30, 2020 totaled \$31,092.

**NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS**

**Plan Description.** The Volusia County Council (the “Council”) administers a single employer defined benefit healthcare plan (the "Plan"), under which R2CTPO 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 R2CTPO 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.

The Council may amend the plan design, with changes to the benefits, premiums and/or levels of participant contribution at any time. On at least an annual basis and prior to the enrollment process, the Council approves the rates for the coming year for the retiree, employee and County contributions.

As of June 30, 2020, the membership of the R2CTPO's medical plan consisted of six active employees.

**Annual OPEB Costs and Net OPEB Obligation.** The R2CTPO's OPEB liability continues to be rolled into the liability reported under the Council for the most current reporting period and was not separately calculated for R2CTPO for disclosure in the financial statements of R2CTPO. Due to the multiple variables that go into developing these numbers and the disclosure of employees in the GASB 75 Report reflecting total employees under Volusia County rather than by agency, the R2CTPO was unable to determine costs directly allocable to R2CTPO employees.

**NOTE 14 - RISK MANAGEMENT**

The R2CTPO is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, all of which is satisfactorily insured by general liability insurance. Commercial insurance policies are also obtained for all other risks of loss, including workers' compensation and employee health and accident insurance. There have been no significant reductions in insurance coverage during the last fiscal year. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**NOTES TO THE FINANCIAL STATEMENTS – (Continued)**

June 30, 2020

RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

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**NOTE 15 - COMMITMENTS AND CONTINGENCIES**

The R2CTPO may from time to time be engaged in routine litigation incidental to the conduct of its corporate affairs. In the opinion of R2CTPO's Counsel, no legal proceedings are pending or threatened which may materially affect the financial condition of the Organization.

Amounts received or receivable from grantor agencies in current and prior years are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund(s). The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although management expects such amounts, if any, to be immaterial.

**NOTE 16 – SUBSEQUENT EVENTS**

In preparing these financial statements, the R2CTPO has evaluated events and transactions for potential recognition for disclosure through **November 6, 2019**, the date the financial statements were available to be issued. No subsequent events were identified that required adjustment or disclosure within the financial statements.

***REQUIRED SUPPLEMENTARY INFORMATION***

**REQUIRED SUPPLEMENTARY INFORMATION**  
**FLORIDA RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN**  
**RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION**

**SCHEDULE OF THE PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY -**  
**FLORIDA RETIREMENT SYSTEM PENSION PLAN (1)**

	<u>2019</u>	<u>2018</u>
R2CTPO proportion of the net pension liability	0.000487411%	0.000438377%
R2CTPO proportionate share of the net pension liability	\$ 167,858	\$ 132,041
R2CTPO covered employee payroll	\$ 127,144	\$ 168,313
R2CTPO proportionate share of the net pension liability as a percentage of covered payroll	132.02%	78.45%
Plan fiduciary net position as a percentage of the total pension liability	84.26%	84.26%

**SCHEDULE OF CONTRIBUTIONS**  
**FLORIDA RETIREMENT SYSTEM PENSION PLAN (1)**

	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 7,895	\$ 11,109
Contributions in relation to the contractually required contribution	\$ (7,895)	\$ (11,109)
Contribution deficiency (excess)	\$ -	\$ -
R2CTPO covered employee payroll	\$ 127,144	\$ 168,313
Contributions as a percentage of covered employee payroll	6.21%	6.60%

Notes:

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) *Changes of Assumptions* . The inflation rate assumption remained at 2.6 percent and the overall payroll growth rate assumption remained at 3.25 percent. The long-term expected rate of return decreased from 7.00 percent to 6.90 percent.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**FLORIDA RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN**  
**RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION**

**SCHEDULE OF THE PROPORTIONATE SHARE  
 OF THE NET PENSION LIABILITY -  
 HEALTH INSURANCE SUBSIDY PENSION PLAN (1)**

	<u>2019</u>	<u>2018</u>
R2CTPO proportion of the net pension liability	0.000881963%	0.000814332%
R2CTPO proportionate share of the net pension liability	\$ 98,683	\$ 86,190
R2CTPO covered employee payroll	\$ 127,144	\$ 168,313
R2CTPO proportionate share of the net pension liability as a percentage of covered payroll	77.62%	51.21%
Plan fiduciary net position as a percentage of the total pension liability	2.15%	2.15%

**SCHEDULE OF CONTRIBUTIONS  
 HEALTH INSURANCE SUBSIDY PENSION PLAN (1)**

	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 5,553	\$ 4,896
Contributions in relation to the contractually required contribution	\$ (5,553)	\$ (4,896)
Contribution deficiency (excess)	\$ -	\$ -
R2CTPO covered employee payroll	\$ 127,144	\$ 168,313
Contributions as a percentage of covered employee payroll	4.37%	2.91%

Notes:

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) *Changes of Assumptions* . The municipal rate used to determine total pension liability decreased from 3.87 percent to 3.50 percent.

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***OTHER SUPPLEMENTARY INFORMATION***

**OTHER SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - SPECIAL REVENUE FUND**  
For the Year Ended June 30, 2020  
RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

	Highway Planning and Construction Cluster					
			Bike/Ped	Bike/Ped	ITS	ITS
	Section 112	Section 112	Feasibility	Feasibility	Feasibility	Feasibility
	2018-2019	2019-2020	Study	Study	Studies	Studies
	G0W39	G0W39	2018-2019	2019-2020	2018-2019	2019-2020
			G0W39	G0W39	G0W39	G0W39
<b>Revenues:</b>						
Intergovernmental:						
Federal grants.....	\$ 159,586	\$ 543,810	\$ 18,709	\$ 80,623	\$ 23,133	\$ 81,681
State matching.....	-	-	-	-	-	-
Local matching.....	-	-	2,058	6,848	-	3,598
Total grant revenues.....	159,586	543,810	20,767	87,471	23,133	85,279
<b>Expenditures:</b>						
Salaries.....	41,720	282,611	-	-	-	-
Fringe benefits.....	13,864	93,914	-	-	-	-
Office supplies.....	-	1,662	-	-	-	-
Postage.....	1,614	-	-	-	-	-
Office expense.....	2,041	80,633	-	-	-	-
Utilities.....	367	3,357	-	-	-	-
Advertising.....	584	1,469	-	-	-	-
Printing.....	616	-	-	-	-	-
Conference fees.....	400	-	-	-	-	-
Fees.....	2,234	20,421	-	-	-	-
Dues .....	189	-	-	-	-	-
Publications .....	1	828	-	-	-	-
Copy expense.....	2,650	15,633	-	-	-	-
Travel expense.....	3,139	-	-	-	-	-
Special studies/professional fees....	64,930	-	20,767	87,471	23,133	85,279
Professional fees.....	22,000	-	-	-	-	-
Liability insurance.....	228	8,250	-	-	-	-
Capital outlay.....	429	3,668	-	-	-	-
Awards and promotion.....	1,080	3,026	-	-	-	-
Software.....	1,032	2,322	-	-	-	-
Telephone.....	468	1,314	-	-	-	-
Network costs.....	-	24,702	-	-	-	-
Total expenditures.....	159,586	543,810	20,767	87,471	23,133	85,279
Total revenue over expenditures....	-	-	-	-	-	-
Fund balances - beginning of year.....	-	-	-	-	-	-
Fund balances - end of year.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



## Schedule 1

2045 LRTP 2019-2020 G0W39	Federal Transit Administration				Total- Federal	Federal Department of Transportation	Total- All Sources
	Section 5303 2016-2017 G0H73	Section 5303 2017-2018 G0H73	Section 5303 2018-2019 G1369	Section 5303 2019-2020 G1H15		Transportation Disadvantaged G1889	
\$ 241,706	\$ 2,410	\$ 11,246	\$ 59,339	\$ 147,328	\$ 1,369,571	\$ -	\$ 1,369,571
-	301	1,405	7,418	18,416	27,540	30,474	58,014
-	<u>301</u>	<u>1,405</u>	<u>7,418</u>	<u>18,416</u>	<u>40,044</u>	-	<u>40,044</u>
<u>241,706</u>	<u>3,012</u>	<u>14,056</u>	<u>74,175</u>	<u>184,160</u>	<u>1,437,155</u>	<u>30,474</u>	<u>1,467,629</u>
-	-	7,945	28,241	123,968	484,485	22,636	507,121
-	-	2,841	9,385	41,196	161,200	7,523	168,723
-	53	-	430	2,270	4,415	48	4,463
-	-	-	576	-	2,190	-	2,190
-	-	-	16,473	8,797	107,944	-	107,944
-	-	-	995	246	4,965	54	5,019
-	-	-	355	490	2,898	-	2,898
-	-	-	672	-	1,288	-	1,288
-	-	-	150	-	550	-	550
-	-	-	6,684	-	29,339	-	29,339
-	-	-	-	-	189	213	402
-	-	-	276	-	1,105	-	1,105
-	197	-	3,251	2,391	24,122	-	24,122
-	-	-	997	-	4,136	-	4,136
241,706	-	-	-	-	523,286	-	523,286
-	-	-	-	-	22,000	-	22,000
-	-	3,270	223	1,691	13,662	-	13,662
-	-	-	-	-	4,097	-	4,097
-	1,366	-	-	-	5,472	-	5,472
-	37	-	974	107	4,472	-	4,472
-	-	-	495	99	2,376	-	2,376
-	<u>1,359</u>	-	<u>3,998</u>	<u>2,905</u>	<u>32,964</u>	-	<u>32,964</u>
<u>241,706</u>	<u>3,012</u>	<u>14,056</u>	<u>74,175</u>	<u>184,160</u>	<u>1,437,155</u>	<u>30,474</u>	<u>1,467,629</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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## ***COMPLIANCE SECTION***

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Year Ended June 30, 2020

RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

**Part I — Summary of Auditor's Results****Financial statements section**

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

       Yes        X   no

Significant deficiency(ies) identified?

       Yes        X   none reported

Noncompliance material to financial statements noted?

       Yes        X   no**Federal awards section**

Internal control over major programs:

Material weakness(es) identified?

       Yes        X   no

Significant deficiency(ies) identified?

       Yes        X   none reported

Type of auditor's report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200

       Yes        X   no

The programs/projects tested as major programs/projects included the following:

Federal Programs or Clusters:CFDA No.Federal

Highway Planning and Construction Cluster

20.205

Dollar threshold used to distinguish between

Type A and Type B programs:

Federal programs

\$750,000

Auditee qualified as low-risk auditee?

  x   Yes             no**Part II — Financial Statement Findings Section**

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* require reporting in a Uniform Guidance audit. No significant matters were identified.

**Part III — Federal Award Findings and Questioned Costs Section**

This section identifies the audit findings required to be reported by 2 CFR Part 200 Uniform Guidance (for example, material weaknesses, significant deficiencies, and material instances of noncompliance, including questioned costs), as well as any abuse findings involving federal awards that are material to a major program. Where practical, findings should be organized by federal agency or pass-through entity. No significant matters were identified.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND CORRECTIVE ACTION PLAN**

Year Ended June 30, 2020

RIVER TO SEA TRANSPORTATION PLANNING ORGANIZATION

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**Part I - Prior Year Findings and Questioned Costs - Major Federal Programs**

This section reports the status of any audit findings included in the prior audit's schedule of findings and questioned costs relating to federal awards and state financial assistance, if applicable. This section also includes audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected or no longer valid or not warranting further action. No significant matters were identified or reported.

**Part II – Corrective Action Plan**

There are no audit findings for the year ended June 30, 2020, relative to federal programs that require corrective action on the part of the auditee.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
River to Sea Transportation Planning Organization  
Daytona Beach, Florida

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

We have audited the River to Sea Transportation Planning Organization's (the "R2CTPO") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of R2CTPO's major federal programs for the year ended June 30, 2020. The R2CTPO's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the R2CTPO's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the R2CTPO's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the R2CTPO's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the R2CTPO complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

To the Board of Directors of  
River to Sea Transportation Planning Organization  
Daytona Beach, Florida

### **Report on Internal Control Over Compliance**

R2CTPO's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the R2CTPO's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the R2CTPO's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope 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.

BMC CPAs

November 6, 2019



**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 Board of Directors of  
River to Sea Transportation Planning Organization  
Daytona Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the River to Sea Transportation Planning Organization (the "R2CTPO"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the R2CTPO's basic financial statements, and have issued our report thereon dated November 6, 2019.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the R2CTPO's internal control over financial reporting (internal control) to determine the 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 R2CTPO's internal control. Accordingly, we do not express an opinion on the effectiveness of the R2CTPO'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 may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the R2CTPO's financial statements are free from 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 determination of financial statement amounts. 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*.

To the Board of Directors of  
River to Sea Transportation Planning Organization  
Daytona Beach, Florida

**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.

BMC CPAs

November 6, 2019

## MANAGEMENT LETTER

To the Board of Directors of  
River to Sea Transportation Planning Organization  
Daytona Beach, Florida

### Report on the Financial Statements

We have audited the financial statements of the River to Sea Transportation Planning Organization (the “R2CTPO”), as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated November 6, 2019.

### Auditor’s 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, Rules of the Florida Auditor General.

### Other Reports and Schedule

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance, Schedule of Findings and Questioned Costs, and Independent Accountant’s 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, which are dated November 6, 2019, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.654(1)(e), 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 findings and recommendations made 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.

To the Board of Directors of  
River to Sea Transportation Planning Organization  
Daytona Beach, Florida  
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**Other 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 the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

BMC CPAs

November 6, 2019

**INDEPENDENT ACCOUNTANTS' REPORT**

To the Board of Directors of  
River to Sea Transportation Planning Organization  
Daytona Beach, Florida

We have examined River to Sea Transportation Planning Organization's (the "R2CTPO") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the period July 1, 2019 to June 30, 2020. Management of the R2CTPO is responsible for the R2CTPO's compliance with the specific requirements. Our responsibility is to express an opinion on R2CTPO's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the R2CTPO complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the R2CTPO complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, 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.

Our examination does not provide a legal determination on the R2CTPO's compliance with specified requirements.

In our opinion, River to Sea Transportation Planning Organization, complied, in all material respects, with the aforementioned requirements during the period July 1, 2019 to June 30, 2020.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

BMC CPAs

November 6, 2019

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