

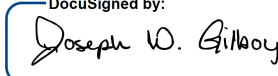


Florida Department of Transportation
Office of Inspector General
Kristofer B. Sullivan, Inspector General

Spaceport Program

Report No. 24I-003

December 19, 2025

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For Kristofer B. Sullivan

What We Did

The Florida Department of Transportation's (Department) Office of Inspector General conducted an audit of the Spaceport Program to evaluate its compliance with policies, procedures, and processes. As part of the audit, we also reviewed Grant Agreement (Agreement) G1012 and G1030 to verify that selected invoices and expenses are in accordance with Florida Statutes, Department guidelines, and the terms of the Agreements. This audit was conducted as part of the fiscal year 2023-24 annual audit plan.

What We Found

We determined that the Spaceport Program's current accounting policies and procedures comply with Florida Statutes and Department policies and procedures.

We determined that the selected invoices for Grant Agreements G1012 and G1030 complied with Florida Statutes, Department guidelines, and the terms of the Grant Agreements.

What We Recommend

We have no recommendations at this time, as we found the areas under review to be compliant.

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Florida Department of Transportation**

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BACKGROUND AND INTRODUCTION

Florida Department of Transportation's Spaceport Office

The Florida Department of Transportation's (Department) Spaceport Office develops and administers the Spaceport Improvement Program (SIP), which plans and funds strategic spaceport projects and assists with state spaceport-related issues. In 1999, Florida made the landmark decision to officially designate space as a transportation mode and spaceports as the associated modal facilities. This designation recognized space in the same manner as other long-established modalities such as roads, rail, airports, and seaports. In 2019, the Department established a separate Spaceport Office, aligning spaceports and space transportation with other modalities to help the Department achieve its primary responsibility.

The SIP is designed to stimulate private-sector investment and commercial spaceport development. The program is specifically tailored to set conditions to achieve those key goals.

The SIP provides funding for projects that:

- Improve aerospace transportation facilities.
- Facilitate and promote interagency efforts to improve space transportation capacity and efficiency.
- Encourage cooperation and integration of airports and spaceports.

Section 331.3011(3), Florida Statutes, (F.S.) (2024), designates Space Florida as the single point of contact for state aerospace related activities with federal agencies, the military, state agencies, and aerospace partners. The Department and Space Florida work closely together, planning and facilitating space transportation services on spaceport properties¹ throughout the state.

Space Florida

Space Florida, established by the Florida Legislature in 2006, is an independent special district and political subdivision of the state. It was created through a statewide charter to develop a comprehensive plan for modernizing and expanding space transportation infrastructure within designated territories. As the state's spaceport authority, Space Florida is tasked with identifying and planning a spaceport system to meet the current and future needs of commercial, national, and state space transportation. Headquartered near Kennedy Space Center on Florida's east coast, Space Florida operates under the direction of an 11 member Board of Directors. These members were appointed by the Governor on September 28, 2023.

¹ The Cape Canaveral Spaceport (CCS) Launch and Landing Facility, Cecil Spaceport, and the Space Coast Spaceport.

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Space Florida's Relationship with the Department

Space Florida conducts an economic or financial analysis on spaceport capital projects before requesting Department funds. The Department also works with Space Florida to plan and coordinate transportation services throughout the state of Florida at Space Florida's Launch and Landing Facility, Cecil Spaceport, and Space Coast Regional Airport.

Spaceport funds are allocated annually to the Department's Central Office and distributed by the Spaceport Office. The Spaceport Office collaborates with Space Florida and District Offices to evaluate funding requests, allocate funds to a project, and effectively manage project delivery. The state pass-through funds can only be used for transportation projects, such as launch and re-entry or payload processing facilities.

With the incorporation of spaceports into the Florida Transportation Plan (FTP) and Space Florida's development of the Florida Spaceport System Plan, the Department provides support and funding to Space Florida for high-priority spaceport projects through the Spaceport Improvement Program.

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RESULTS OF REVIEW

We conducted an audit of the Spaceport Program with the following objectives:

1. Determine if the Spaceport Program has compliant policies, procedures, and guidance in accordance with Florida Statutes, rules, and other state requirements.
2. Determine if selected invoices for Grant Agreements G1012 and G1030 comply with Florida Statutes, Department guidelines, and the Grant Agreements.

Finding 1 – Financial Policies and Procedures

We determined that the Spaceport Program's current accounting policies and procedures comply with Florida Statutes and Department policies and procedures.

We reviewed Spaceport Program's accounting policies and procedures to assess adherence to statutory requirements, process guidance, and the inclusion of internal control measures aligned with general accounting principles. Our evaluation was based on the following criteria:

- Section 215.971 Florida Statutes (F.S.) (2023) – Agreements funded with federal or state assistance;
- Section 334.044 F.S. (2023) – Powers and duties of the department;
- Section 334.048 F.S. (2023) – Legislative intent with respect to department management accountability and monitoring systems;
- Spaceport Improvement Program Handbook 2023-24;
- Contract Funds Management Funds Approval 350-020-200;
- Grant Disbursement Procedure 350-030-060.

The internal controls outlined in the Spaceport Program's Handbook were found to be sufficient to support accounting compliance. Our review concluded that these controls adequately align with the evaluation criteria and demonstrate adherence to policies and procedures.

The detailed criteria used for this finding can be found in Attachment 1.

There are no recommendations for this finding.

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Finding 2 – Financial Management Controls

We determined that the selected invoices for Grant Agreements G1012 and G1O30 complied with Florida Statutes, Department guidelines, and the Grant Agreements. We evaluated invoice compliance using the following criteria:

- Section 331.360 F.S. (2023) – Joint participation agreement or assistance;
- 331.371 F.S. (2023) – Strategic space infrastructure investment;
- Florida Spaceport Improvement Program Handbook 2023-24;
- Grant Agreements and Invoices for G1012 and G1O30

The detailed criteria used for this finding can be found in Attachment 1.

We received invoice packages from Space Florida and the Spaceport Program for Grant Agreements G1012 and G1O30. Grant Agreement G1012 included 14 invoices for a total of \$996,456.82, while Grant Agreement G1O30 contained 2 invoices for a total of \$15,716,241.35.

We reviewed each invoice package to confirm that it included all required elements: the invoice, a summary of project costs, a progress report, invoice and quarterly activity report timeliness, supporting documentation, and verification of allowable and appropriate costs. Our review verified that the line-item costs on the selected invoices were accurately reconciled with the general ledger for the project and that the supporting documentation adequately substantiated the reported costs.

There are no recommendations for this finding.

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APPENDIX A – Purpose, Scope, and Methodology

The **purpose** of this engagement was to determine if the Spaceport Program had compliant policies, procedures, and guidance in accordance with Florida Statutes, rules, and other state requirements, as well as to determine if selected invoices for Grant Agreements G1012 and G1O30 comply with Florida Statutes, Department guidelines, and Grant Agreements.

The **scope** of this audit consisted of the Spaceport Program's policies, procedures, and guidance, as well as Department Agreements G1012 and G1O30 and their associated documentation.

The **methodology** included:

- A walkthrough of the Spaceport program's invoicing process,
- Review of applicable Florida Statutes, regulations, policies, and procedures:
 - 215.971 F.S. – Agreements funded with federal or state assistance,
 - 334.044 F.S. – Powers and duties of the department,
 - 334.048 F.S. – Legislative intent with respect to department management accountability and monitoring systems,
 - 331.360 F.S. – Joint participation agreement or assistance,
 - 331.371 F.S. – Strategic space infrastructure investment,
- Review and evaluation of documentation:
 - Spaceport Improvement Program Handbook 2023-24,
 - Grant Disbursement Procedure 350-030-060,
 - Grant Agreements G1012 and G1O30 and related supporting documentation,
 - Single Audit Reports

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APPENDIX B – Affected Entity Response

On November 18, 2025, Jamie Bonjawo, Manager, Grant Administration & Reporting for Space Florida, responded to our report via email. She indicated that Space Florida had no comments to add to the report.

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APPENDIX C – Management Response

On December 18, 2025, Melissa Smith, Chief of Modal Development, responded to our report via email. She indicated that the Office of Modal Development had no comments to add to the report.

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DISTRIBUTION

Responsible Manager:

Melissa Smith, Chief of Modal Development
Wayne Lambert, Manager, Spaceport Office
David Rich, State Spaceport Program Coordinator

Internal Distribution:

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Beth Courtney, Controller, Space Florida
Todd Romberger, Senior Vice President Spaceports Business Unit, Space Florida
Denise Swanson, Executive Vice President, Chief Financial Officer and Corporate Administration Officer, Space Florida
Steve Szabo, P.E., Vice President Spaceport Development, Space Florida

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PROJECT TEAM

Engagement was conducted by:
Nicholas Cooper, Senior Audit Supervisor

Under the supervision of:
Barbara Brown-Walton, Deputy Audit Director for the Intermodal Section
Jessica Mobley, Director of Quality Assurance and Operations Support
Joseph W. Gilboy, Director of Audit

Approved by:
Kristofer B. Sullivan, Inspector General

STATEMENT OF ACCORDANCE

The Department's mission is to provide a safe transportation system that ensures the mobility of people and goods, enhances economic prosperity, and preserves the quality of our environment and communities.

The Office of Inspector General's mission is to provide independent and objective investigative and audit services that promote accountability, integrity, and efficiency within the Florida Department of Transportation and its partners.

This work product was prepared pursuant to section 20.055, Florida Statutes, in accordance with the Association of Inspectors General *Principles and Standards for Offices of Inspector General*, and conforms with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. Please address inquiries regarding this report to the Department's Office of Inspector General at (850) 410-5800.

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ATTACHMENT 1 – Criteria

Section 215.971 Florida Statutes (2023): Agreements funded with federal or state assistance. A subrecipient and recipient must expend funds only for allowable costs resulting from obligations incurred during the specified agreement period.

Section 331.360 Florida Statutes (2023): Notwithstanding any other provision of law, the Department of Transportation may enter into a joint participation agreement with, or otherwise assist, Space Florida as necessary to effectuate the provisions of this chapter and may allocate funds for such purposes in its 5-year work program. However, the department may not fund the administrative or operational costs of Space Florida.

Section 331.371 Florida Statutes (2023): In consultation with Space Florida, the Department of Transportation may fund strategic spaceport launch support facilities investment projects, as defined in s. 331.303, at up to 100 percent of the project's cost if: (1) Important access and on-spaceport and commercial launch facility capacity improvements are provided; (2) Capital improvements that strategically position the state to maximize opportunities in international trade are achieved; (3) Goals of an integrated intermodal transportation system for the state are achieved; and (4) Feasibility and availability of matching funds through federal, local, or private partners are demonstrated.

Section 334.044 Florida Statutes (2023): To enter into agreement with Space Florida to coordinate and cooperate in the development of spaceport infrastructure and related transportation facilities contained in the Strategic Intermodal System Plan and, where appropriate, encourage the cooperation and integration of airports and spaceports in order to meet transportation-related needs.

Section 334.048 Florida Statutes (2023): The inspector general shall provide to the secretary independent evaluations of the department's accountability and central office monitoring systems to assess whether such systems are effective and properly operating.

Spaceport Improvement Program Handbook (2023-2024): Overview of the Spaceport Improvement Program administered by the Florida Department of Transportation and processes used to fund and manage spaceport capital projects. Once approved and funded these processes provide guidance to manage projects. Department policy is to provide up to 50% of eligible project costs for Spaceport capital projects.

Contract Funds Management Funds Approval 350-020-200: This procedure establishes uniform internal controls to ensure all commitments of funds by the Department receive prior approval by the Comptroller and are properly established and maintained in the accounting and financial management systems.

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Grant Disbursement Procedure 350-030-060: This procedure establishes standard financial provisions for all agreements in which the Florida Department of Transportation (Department) will provide funding for deliverables the Other Party will provide. These provisions are to be included in Department Funded Agreements (DFA) and official Department form agreements.

Grant Agreement G1012: This Public Transportation Grant Agreement between the State of Florida, Department of Transportation (Department), and Space Florida for Departmental financial assistance to Space Florida to accomplish Project SLLF Electrical and Communication Improvements.

Grant Agreement G1030: This Public Transportation Grant Agreement between the State of Florida, Department of Transportation (Department), and Space Florida for Departmental financial assistance to Space Florida to carry out project Next Gen Space Vehicle Launch Site Infrastructure at Cape Canaveral Spaceport.

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A BENEFIT TO
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