



MANAGEMENT LETTER

To the Officers and Members of the Board
Volusia County Educational Facilities Authority
DeLand, Florida

Report on the Financial Statements

We have audited the financial statements of Volusia County Educational Facilities Authority (the “Authority”) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated December 16, 2021.

Auditors’ Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* 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 December 16, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no 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. The Authority is a political instrumentality established by the County Council of Volusia County, Florida, pursuant to the Higher Educational Facilities Authorities Law, Chapter 69-345, Laws of Florida, 1969 (Chapter 243, Part II, Florida Statutes), as revised and amended. There were no component units related to the Authority at September 30, 2021.

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Authority. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. The assessment was done as of the fiscal year end.

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

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the Authority for the fiscal year ended September 30, 2020, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2021. In connection with our audit, we determined that these two reports were in agreement.

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.

In connection with Sections 218.39(3)(c), and 218.32(1)(e)2-3 Florida Statutes, we affirm the following:

- 1.) VCEFA had no direct employees compensated between October 1, 2020 and September 30, 2021
- 2.) VCEFA paid no independent contractors in the last month of the fiscal year (September 2021)
- 3.) VCEFA did not pay any wages to employees for the period between October 1, 2020 and September 30, 2021.
- 4.) All compensation paid to independent contractors was \$14,320 for the period between October 1, 2020 and September 30, 2021. It should be noted that these amounts were paid directly by the individual universities and not by the Authority.
- 5.) VCEFA had no construction projects during the period between October 1, 2020 and September 30, 2021

- 6.) VCEFA's funds are proprietary funds. VCEFA does not pay administrative costs but passes them through proportionately to the participating universities. The Authority approves contracts for financial services, but the financial responsibility is born by the participating universities. Invoices for administrative costs are sent directly by the provider to the participating universities, and payments are made from the universities themselves, consistent with the Loan Agreements from the bond issues with the universities and Florida Statute § 243.54(15). There is effectively no budget variance as VCEFA's funds are proprietary funds and VCEFA's effective revenue and expenditures are zero as administrative expenses are the responsibility of and paid by the participating universities.

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, Authority Members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

BMC CPAs

December 16, 2021

Amended September 15, 2022