I. Summary of Auditors’ Results:

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

B. One significant deficiency related to internal control over financial reporting was disclosed by the audit of the basic financial statements, which was not considered a material weakness.

C. No instances of noncompliance material to the financial statements were disclosed during the audit.

D. No material weaknesses or significant deficiencies related to internal control over major federal programs and major state financial assistance projects were disclosed.

E. Type of report issued on compliance for major federal programs and state projects: *Unmodified*

F. The audit disclosed no audit findings which are required to be reported under OMB Circular A-133 or Chapter 10.557, Rules of the Florida Auditor General.

G. Major program/project identification:
   
   Federal awards programs:
   - Airport Improvement Program, CFDA 20.205
   - Federal Transit Cluster, CFDA 20.507/20.526

   State financial assistance projects:
   - Statewide Surface Water Restoration and Wastewater Project, CSFA 37.039
   - State Housing Initiatives Partnership (SHIP), CSFA 52.901
   - Public Transit Block Grant Program, CSFA 55.010
   - Public Transit Service Development Program, CSFA 55.012
   - Transportation Regional Incentive Program (TRIP), CSFA 55.026
   - Economic Development Transportation Projects, CSFA 55.032

H. Dollar thresholds used to distinguish between Type A and Type B programs or projects were $832,668 for major federal programs and $426,133 for major state projects.

I. The County of Volusia, Florida, Florida qualified as a low-risk auditee as defined in OMB Circular A-133.
II. Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Government Auditing Standards:

2015-001 Airport Fund Prior Period Adjustment

Criteria: Generally accepted accounting principles require that grant revenues be recognized when the qualifying expenditure is made and all other requirements are met.

Condition: The County received a $2.3 million Federal grant used to offset the County’s October 1, 2014, debt service payment in the Daytona Beach International Airport Fund. County management discovered and brought to our attention that the grant revenue should not have been recognized until the current fiscal year; however, the grant was improperly recognized in the prior fiscal year. This required a journal entry to reduce beginning net position and increase current-year grant revenues by $2.3 million.

Cause: The grant revenue was improperly accrued in the prior year due to improper identification of the qualifying expenditure for the grant revenue to be recognized.

Effect: Had the correcting entry not been recorded, current-year revenues and beginning net position in the Airport Fund would have been understated and overstated by $2.3 million, respectively.

Recommendation: We recommend management review all significant transactions funded by grants during the year and subsequent to year-end to ensure items are appropriately recorded in the general ledger in the applicable accounting period.

III. Noncompliance and Other Matters Which are Required to be Reported in Accordance with Government Auditing Standards:

None.

IV. Findings and Questioned Costs for Major Federal Programs:

None.

V. Findings and Questioned Costs for Major State Projects:

None.

VI. Summary Schedule of Prior Audit Findings:

None.

VII. Corrective Action Plan: As no findings have been reported, no corrective action plan related to financial statement, major Federal program, or major State project findings has been prepared by management.