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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable County Council Members  
County of Volusia, Florida

We have audited the basic financial statements of the County of Volusia, Florida, (the "County") as of and for the year ended September 30, 2001, and issued our report thereon dated February 28, 2002. 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.

***Compliance***

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, 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 that are required to be reported under *Government Auditing Standards*.

***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This management letter is intended solely for the information of the County Council and management, and the State of Florida Office of the Auditor General and federal and state grantor agencies, and is not intended to be and should not be used by anyone other than these specified parties.

*Harris, Cotherman, O'Keefe & Associates*

Winter Park, Florida  
February 28, 2002



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL  
CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR  
FEDERAL PROGRAM AND STATE PROJECT**

The Honorable County Council Members  
County of Volusia, Florida

***Compliance***

We have audited the compliance of the County of Volusia, Florida (the "County") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, and the requirements described in the Executive Office of the Governor's State Projects Compliance Supplement, that are applicable to each of its major federal programs and state projects for the year ended September 30, 2001. The County's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit in accordance with United States generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County'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. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state projects for the year ended September 30, 2001.

***Internal Control Over Compliance***

The management of the County is responsible for establishing and maintaining, effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General.



Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non-compliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program or state project being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

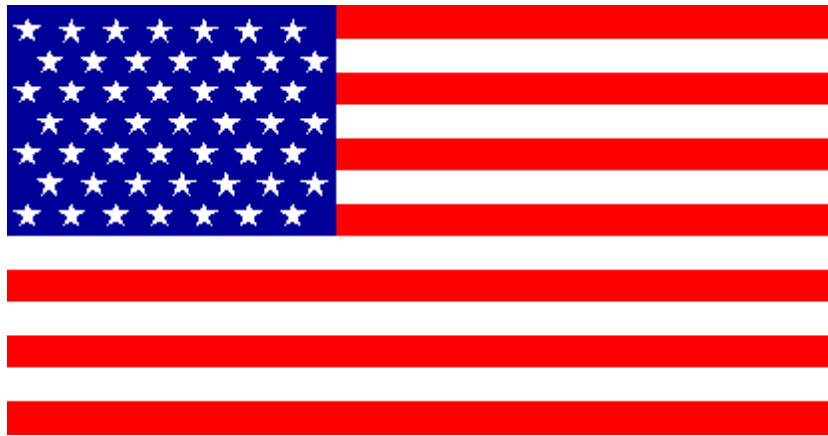
***Schedule of Expenditures of Federal Awards and State Financial Assistance***

We have audited the basic financial statements of the County of Volusia, Florida as of and for the year ended September 30, 2001, and have issued our report therein dated February 28, 2002. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information of the County Council and management, and the State of Florida Office of the Auditor General and federal and state grantor agencies, and is not intended to be and should not be used by anyone other than these specified parties.

*Harris, Cotherman, O'Keefe & Associates*

February 28, 2002  
Winter Park, Florida



49 Star Flag - 1959-1960

**SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS  
AND  
STATE FINANCIAL ASSISTANCE**

**COUNTY OF VOLUSIA, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2001**

| FEDERAL / STATE AGENCY<br>PASS-THROUGH ENTITY<br>FEDERAL PROGRAM / STATE PROJECT | CFDA/<br>CSFA<br>NUMBER | CONTRACT<br>GRANT<br>IDENTIFICATION NUMBER | EXPENDITURES     | AMOUNT<br>PROVIDED TO<br>SUBRECIPIENTS |
|----------------------------------------------------------------------------------|-------------------------|--------------------------------------------|------------------|----------------------------------------|
| <b>FEDERAL AGENCY</b>                                                            |                         |                                            |                  |                                        |
| <b>Department of Agriculture</b>                                                 |                         |                                            |                  |                                        |
| Pass-Through:                                                                    |                         |                                            |                  |                                        |
| Florida Department of Education:                                                 |                         |                                            |                  |                                        |
| USDA School Lunch Program                                                        | 10.558                  | 03-742/01                                  | \$ 210,616       | 0                                      |
| USDA Summer Food Services                                                        | 10.559                  | 04-0879                                    | 256,163          | 0                                      |
| <b>Total Department of Agriculture</b>                                           |                         |                                            | <b>466,779</b>   | <b>0</b>                               |
| <b>Department of Housing and Urban Development</b>                               |                         |                                            |                  |                                        |
| Direct:                                                                          |                         |                                            |                  |                                        |
| Emergency Shelter Program                                                        | 14.231                  | S-01-UC-12-0021                            | 132,710          | 77,000                                 |
| Emergency Shelter Program                                                        | 14.231                  | S-00-UC-12-0021                            | 12,889           | 8,146                                  |
| HOME Program                                                                     | 14.239                  | M-(96-01)-DC-12-0223                       | 1,231,235        | 609,618                                |
| Community Development Program                                                    | 14.218                  | B-(96-01)-UC-12-0008                       | 2,692,268        | 692,417                                |
| CDBG/Rental Rehabilitation Program                                               | 14.218                  | R-(90-91)-UC-12-020-1                      | 500              | 0                                      |
| Section 8 - Voucher Program                                                      | 14.871                  | FL-29-V113                                 | 1,494,486        | 0                                      |
| Pass-Through:                                                                    |                         |                                            |                  |                                        |
| Department of Community Affairs:                                                 |                         |                                            |                  |                                        |
| Urban Wildlife Interface Mitigation                                              | 14.228                  | 01DB-27-06-74-02-G25                       | 3,995            | 0                                      |
| <b>Total Department of Housing and Urban Development</b>                         |                         |                                            | <b>5,568,083</b> | <b>1,387,181</b>                       |
| <b>US Fish and Wildlife Service</b>                                              |                         |                                            |                  |                                        |
| Direct:                                                                          |                         |                                            |                  |                                        |
| Habitat Conservation Zone/Endangered Species                                     | 15.615                  | E11                                        | 0                | 0                                      |
| Pass-Through:                                                                    |                         |                                            |                  |                                        |
| Florida Fish & Wildlife                                                          |                         |                                            |                  |                                        |
| Artificial Reef                                                                  | 15.605                  | 00255                                      | 45,000           | 0                                      |
| <b>Total US Fish and Wildlife Service</b>                                        |                         |                                            | <b>45,000</b>    | <b>0</b>                               |
| <b>Department of Justice</b>                                                     |                         |                                            |                  |                                        |
| Direct:                                                                          |                         |                                            |                  |                                        |
| LLEBG/Disparate Allocation                                                       | 16.592                  | 99-LB-VX-7401                              | 48,620           | 0                                      |
| LLEBG/Disparate Allocation                                                       | 16.592                  | 00-LB-BX-0228                              | 185,172          | 0                                      |
| Bullet Proof Vest Partnership                                                    | 16.607                  | 00001534                                   | 444              | 0                                      |
| Bullet Proof Vest Partnership                                                    | 16.607                  | 01004761                                   | 6,809            | 0                                      |
| Weed & Seed - Community Services                                                 | 16.595                  | 2000-WS-Q8-0068                            | 116,769          | 99,079                                 |
| Weed & Seed - Community Services                                                 | 16.595                  | 1999-WS-QX-0087                            | 67,828           | 52,160                                 |
| Weed & Seed Asset Forfeiture                                                     | 16.595                  | #2                                         | 3,261            | 0                                      |
| Weed & Seed Asset Forfeiture                                                     | 16.595                  | #3                                         | 17,628           | 0                                      |
| Weed & Seed Asset Forfeiture                                                     | 16.595                  | #4                                         | 44,560           | 0                                      |
| Weed & Seed Asset Forfeiture                                                     | 16.595                  | #5                                         | 7,426            | 0                                      |
| Office of Justice Program                                                        | 16.585                  | 2000-DC-VX-0060                            | 225,493          | 0                                      |
| Pass Through:                                                                    |                         |                                            |                  |                                        |
| Florida Department of Law Enforcement:                                           |                         |                                            |                  |                                        |
| Anti-Drug Boys & Girls Club                                                      | 16.579                  | 01-CJ-JI-06-74-01-070*                     | 30,000           | 30,000                                 |
| Anti-Drug Administration                                                         | 16.579                  | 01-CI-I1-06-74-01-073*                     | 27,217           | 0                                      |
| Anti-Drug Serenity House/S.O.R.T.                                                | 16.579                  | 01-CJ-JI-06-74-01-072*                     | 82,500           | 82,500                                 |
| Anti-Drug House Next Door/T.E.A.M.                                               | 16.579                  | 01-CJ-JI-06-74-01-076*                     | 37,434           | 37,434                                 |
| <b>Total Department of Justice</b>                                               |                         |                                            | <b>901,161</b>   | <b>301,173</b>                         |
| <b>National Drug Control Policy Office</b>                                       |                         |                                            |                  |                                        |
| Direct:                                                                          |                         |                                            |                  |                                        |
| High Intensity Drug Traffic Area                                                 | 16.728                  | I9PCFP503                                  | 1,110            | 0                                      |
| <b>Total National Drug Control Policy Office</b>                                 |                         |                                            | <b>1,110</b>     | <b>0</b>                               |
| <b>Federal Highway Administration</b>                                            |                         |                                            |                  |                                        |
| Pass Through:                                                                    |                         |                                            |                  |                                        |
| Florida Department of Transportation:                                            |                         |                                            |                  |                                        |
| Tomoka Farms Road                                                                | 20.205                  | AJ941                                      | 193,629          | 0                                      |
| Traffic signal at SR44 and Alabama Avenue                                        | 20.205                  | FM406704-1-58-1                            | 36               | 0                                      |
| DeLand Train Station                                                             | 20.205                  | AE888                                      | 27,101           | 0                                      |
| DeLand Sidewalks                                                                 | 20.205                  | FM406307-1-58-1                            | 1,333            | 0                                      |
| DeBary Bike Path                                                                 | 20.205                  | AF026                                      | 1,125            | 0                                      |
| Wilbur Boat House                                                                | 20.205                  | AF038                                      | 450,511          | 0                                      |
| South Atlantic Avenue Streetscape                                                | 20.205                  | AF402                                      | 23,148           | 0                                      |
| Volusia County Sidewalk Projects                                                 | 20.205                  | FM404173-1-58-01                           | 0                | 0                                      |
| Fort Smith Blvd./Newmark Dr.                                                     | 20.205                  | AH957                                      | 152,950          | 0                                      |
| Clyde Morris/LPGA/Falls Way                                                      | 20.205                  | AH964                                      | 8                | 0                                      |
| <b>Total Federal Highway Administration</b>                                      |                         |                                            | <b>849,841</b>   | <b>0</b>                               |

COUNTY OF VOLUSIA, FLORIDA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 AND STATE FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

| FEDERAL / STATE AGENCY<br>PASS-THROUGH ENTITY<br>FEDERAL PROGRAM / STATE PROJECT | CFDA/<br>CSFA<br>NUMBER | CONTRACT<br>GRANT<br>IDENTIFICATION NUMBER | EXPENDITURES     | AMOUNT<br>PROVIDED TO<br>SUBRECIPIENTS |
|----------------------------------------------------------------------------------|-------------------------|--------------------------------------------|------------------|----------------------------------------|
| <b>Office of Library Services</b>                                                |                         |                                            |                  |                                        |
| Pass Through:                                                                    |                         |                                            |                  |                                        |
| Division of Library Services:                                                    |                         |                                            |                  |                                        |
| Dickerson Library Construction                                                   | 45.020                  | 00-PLC-10                                  | 180,000          | 0                                      |
| Library Services & Technology - Pierson II                                       | 45.310                  | 00-LSTA-J-16                               | 17,500           | 0                                      |
| <b>Total Office of Library Services</b>                                          |                         |                                            | <b>197,500</b>   | <b>0</b>                               |
| <b>Department of Energy</b>                                                      |                         |                                            |                  |                                        |
| Pass Through:                                                                    |                         |                                            |                  |                                        |
| Florida Department of Community Affairs:                                         |                         |                                            |                  |                                        |
| Weatherization Program                                                           | 81.042                  | 01-WX-69-06-74-01-036*                     | 0                | 0                                      |
| <b>Total Department of Energy</b>                                                |                         |                                            | <b>0</b>         | <b>0</b>                               |
| <b>Federal Emergency Management Agency</b>                                       |                         |                                            |                  |                                        |
| Pass Through:                                                                    |                         |                                            |                  |                                        |
| Florida Department of Community Affairs:                                         |                         |                                            |                  |                                        |
| Geographical Positioning                                                         | 83.548                  | 00HM-V9-06-74-15-003                       | 0                | 0                                      |
| Disaster Resistant Community Grant                                               | 83.551                  | EMA-2001-GR-0076                           | 26,510           | 0                                      |
| Terrorism Annex Operating Plan                                                   | 83.552                  | 01-EO-27-06-74-22-014                      | 18,000           | 0                                      |
| Emergency Management Preparedness Trust                                          | 83.552                  | 01-CP-04-06-74-01-064*                     | 180,390          | 0                                      |
| Public Assistance/Hurricane Floyd Disaster                                       | 83.544                  | 00-RM-XX-06-74-01-027*                     | 63,141           | 0                                      |
| Residential Construction Mitigation                                              | 83.548                  | 01-RC-11-06-74-02-016                      | 48,755           | 0                                      |
| Residential Construction Mitigation                                              | 83.548                  | 02-HM-2T-06-74-15-003                      | 2,372            | 0                                      |
| <b>Total Federal Emergency Management Agency</b>                                 |                         |                                            | <b>339,168</b>   | <b>0</b>                               |
| <b>Department of Health and Human Services</b>                                   |                         |                                            |                  |                                        |
| Direct:                                                                          |                         |                                            |                  |                                        |
| Headstart Program                                                                | 93.600                  | 04CH3107/36                                | 230,531          | 0                                      |
| Headstart Program                                                                | 93.600                  | 04CH3107/35                                | 4,901,382        | 695,916                                |
| Pass Through:                                                                    |                         |                                            |                  |                                        |
| Agency For Health Care Administration:                                           |                         |                                            |                  |                                        |
| VOTRAN Medicaid Assistance Program                                               | 93.778                  | N/A                                        | 1,893,294        | 0                                      |
| Florida Department of Community Affairs:                                         |                         |                                            |                  |                                        |
| CSBG Program                                                                     | 93.569                  | 01-SB-11-06-74-01-032*                     | 364,905          | 0                                      |
| Low Income Home Energy Assistance Program                                        | 93.568                  | 01-EA-90-06-74-01-031*                     | 357,940          | 0                                      |
| Low Income Home Energy Assistance Program                                        | 93.568                  | 00-EA-F5-06-74-01-031*                     | 220,186          | 0                                      |
| Weatherization/LIHEAP                                                            | 93.568                  | 01-LH-62-06-74-08-035*                     | 0                | 0                                      |
| <b>Total Department of Health and Human Services</b>                             |                         |                                            | <b>7,968,238</b> | <b>695,916</b>                         |
| <b>Environmental Protection Agency</b>                                           |                         |                                            |                  |                                        |
| Pass Through:                                                                    |                         |                                            |                  |                                        |
| St. Johns River Water Management District:                                       |                         |                                            |                  |                                        |
| Halifax Plantation Water Treatment Plant Contract #99H128                        | 66.468                  | XP984497-98-0                              | 349,501          | 0                                      |
| State Revolving Fund Loan Agreement:                                             |                         |                                            |                  |                                        |
| Deltona North Treatment and Reuse Facility - Construction                        | 66.458                  | CS120617020                                | 0                | 0                                      |
| Deltona North & Southeast Wastewater Facilities - Construction                   | 66.458                  | CS12061701P                                | 2,481,291        | 0                                      |
| Southwest Regional Water Facility                                                | 66.458                  | CS120617040                                | 0                | 0                                      |
| <b>Total Environmental Protection Agency</b>                                     |                         |                                            | <b>2,830,792</b> | <b>0</b>                               |
| <b>Federal Transit Administration</b>                                            |                         |                                            |                  |                                        |
| Direct:                                                                          |                         |                                            |                  |                                        |
| Intermodal Transit Facility                                                      | 20.500                  | FL03-0203                                  | 1,583,500        | 0                                      |
| VOTRAN Capital Assistance                                                        | 20.507                  | FL90-X398                                  | 1,324,726        | 0                                      |
| VOTRAN Capital Assistance                                                        | 20.507                  | FL90-X349                                  | 117,789          | 0                                      |
| VOTRAN Capital Assistance                                                        | 20.507                  | FL90-X367                                  | 398,862          | 0                                      |
| VOTRAN Capital Assistance                                                        | 20.507                  | FL90-X425                                  | 679              | 0                                      |
| VOTRAN Operating Assistance                                                      | 20.507                  | FL90-X425 Prev Maint                       | 568,673          | 0                                      |
| VOTRAN Operating Assistance                                                      | 20.507                  | FL90-4425                                  | 96,984           | 0                                      |
| <b>Total Federal Transit Administration</b>                                      |                         |                                            | <b>4,091,213</b> | <b>0</b>                               |

**COUNTY OF VOLUSIA, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2001**

| <b>FEDERAL / STATE AGENCY<br/>PASS-THROUGH ENTITY<br/>FEDERAL PROGRAM / STATE PROJECT</b>                                                                                                                                                                                                                                         | <b>CFDA/<br/>CSFA<br/>NUMBER</b> | <b>CONTRACT<br/>GRANT<br/>IDENTIFICATION NUMBER</b> | <b>EXPENDITURES</b>  | <b>AMOUNT<br/>PROVIDED TO<br/>SUBRECIPIENTS</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------------------------------------|----------------------|-------------------------------------------------|
| <b>Federal Aviation Authority</b>                                                                                                                                                                                                                                                                                                 |                                  |                                                     |                      |                                                 |
| Direct:                                                                                                                                                                                                                                                                                                                           |                                  |                                                     |                      |                                                 |
| Airport Passenger Facility Charges (PFC)                                                                                                                                                                                                                                                                                          | 20.000                           | 96-02-C-00-DAB                                      | 0                    | 0                                               |
| Rehab Lighting Systems; Develop Plans - ARFF Bldg.; Rehab Vehicle<br>FAA Contract #DTFA 06-98-A-80175<br>Project #405796 1 94 01, Contract # AG937                                                                                                                                                                                | 20.106                           | 3-12-0017-3398                                      | 224,730              | 0                                               |
| Construct General Aviation Area; Upgrade Security Equipment;<br>Upgrade Audio Communications; Replace 2-107 Vehicles<br>FAA Contract #DTFA 06-99-A-80073<br>Project #248388 1 84 01, Contract #AG544<br>Project #406086 1 94 01, Contract #AH136<br>Project #406087 1 94 01, Contract #AH135                                      | 20.106                           | 3-12-0017-3499                                      | 117,467              | 0                                               |
| Construct Aircraft Rescue & Fire Fighting (ARFF) Building;<br>Security Equipment; Protective Clothing<br>FAA Contract #DTFA 06-99-A-80280<br>Project #248385 1 84 01, Contract #AI350<br>Project #406087 1 94 01, Contract #AH135                                                                                                 | 20.106                           | 3-12-0017-3599                                      | 9,351                | 0                                               |
| Construct Phases 1A, 1A.2, and 19.51% of Phase 1B (construction only)<br>of Taxiway P; Expand Parcel 22 General Aviation Apron; Rehab<br>Taxiway N-6<br>FAA Contract #DTFA 06-00-A-80173<br>Project # 408883 1 94 01, Contract # AJ601<br>Project # 410253 1 94 01, Contract # AJ600<br>Project # 410254 1 94 01, Contract #AJ610 | 20.106                           | 3-12-0017-3600                                      | 956,887              | 0                                               |
| Perform Airport Master Plan and Airport Layout Plan Update<br>FAA Contract #DTFA 06-00-A-80135<br>Project # 408884 1 94 01, Contract # AJ187                                                                                                                                                                                      | 20.106                           | 3-12-0017-3700                                      | 240,208              | 0                                               |
| Construct Taxiway Whiskey Extension and General Aviation Apron<br>Extend Taxiway W; Construct Northwest General Aviation Apron;<br>Update Airport Layout Plan<br>FAA Contract # DTFA 06-01-A-80174<br>Project # 408883 1 94 01, Contract # AJ601<br>Project # 410254 1 94 01, Contract # AJ610                                    | 20.106                           | 3-12-0017-3801                                      | 447,565              | 0                                               |
| Financing Cost (Innovative Financing Program)<br>FAA Contract # DTFA 06-01-A-80181                                                                                                                                                                                                                                                | 20.106                           | 3-12-0017-3901                                      | 1,314,415            | 0                                               |
| <b>Total Federal Aviation Authority</b>                                                                                                                                                                                                                                                                                           |                                  |                                                     | <b>3,310,623</b>     | <b>0</b>                                        |
| <b>TOTAL EXPENDITURES FEDERAL AWARDS</b>                                                                                                                                                                                                                                                                                          |                                  |                                                     | <b>\$ 26,569,508</b> | <b>2,384,270</b>                                |

**STATE AGENCY****Florida Department of Environmental Protection**

|                                               |        |          |            |        |
|-----------------------------------------------|--------|----------|------------|--------|
| Recycling and Education Grant                 | 37.011 | RE01-62  | \$ 131,089 | 72,923 |
| Waste Tire Grant                              | 37.015 | WT01-64  | 223,697    | 0      |
| Litter Control and Prevention Grant           | 37.009 | LC01-62  | 16,924     | 0      |
| Turnbull Bay Tributary "E"                    | 37.022 | WAP014   | 0          | 0      |
| Riverbreeze Park Wetland Stormwater Treatment | 37.039 | WM792    | 0          | 0      |
| Bilge Sock                                    | 37.048 | NRD05    | 31,873     | 0      |
| Emory L. Bennett Veteran's Memorial Park      |        | F011111* | 150,000    | 0      |
| Beach Erosion Control                         | 37.003 | 98V01    | 56,526     | 0      |
| Compliance Inspection '99                     | 37.043 | GC561-B  | 7,261      | 0      |
| Compliance Inspection '00                     | 37.043 | GC561-C  | 19,896     | 0      |
| Compliance Inspection '01                     | 37.043 | GC561-D  | 164,280    | 0      |
| Compliance Inspection '02                     | 37.043 | GC561-E  | 39,270     | 0      |
| Super ACT Administration '02                  | 37.024 | GC631*   | 21,078     | 0      |
| Super ACT Administration '01                  | 37.024 | GC539D*  | 142,404    | 0      |
| Super ACT Administration '00                  | 37.024 | GC539C*  | 22,565     | 0      |
| Super ACT Administration '99                  | 37.024 | GC539B*  | 20,602     | 0      |
| Super ACT Administration '98                  | 37.024 | GC539A*  | 445        | 0      |



COUNTY OF VOLUSIA, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2001

| FEDERAL / STATE AGENCY<br>PASS-THROUGH ENTITY<br>FEDERAL PROGRAM / STATE PROJECT | CFDA/<br>CSFA<br>NUMBER | CONTRACT<br>GRANT<br>IDENTIFICATION NUMBER | EXPENDITURES     | AMOUNT<br>PROVIDED TO<br>SUBRECIPIENTS |
|----------------------------------------------------------------------------------|-------------------------|--------------------------------------------|------------------|----------------------------------------|
| <b>Florida Department of Environmental Protection, continued</b>                 |                         |                                            |                  |                                        |
| Super ACT Administration '90                                                     | 37.024                  | GC60*                                      | 6,901            | 0                                      |
| Brazilian Pepper Removal                                                         |                         | SL819                                      | 11,884           | 0                                      |
| Cooperative Aquatic Plant Control                                                |                         | AP170                                      | 7,179            | 0                                      |
| Keep Florida Beautiful                                                           | 37.021                  | 00/01                                      | 7,890            | 0                                      |
| South Waterfront Park Sanitary Sewer Collection System                           | 37.039                  | SP619060                                   | 1,603,053        | 0                                      |
| Stone Island Wastewater Collection and Transmission System                       | 37.039                  | SP619070                                   | 52,406           | 0                                      |
| Halifax/Indian River Cleanup                                                     | 37.017                  | N/A                                        | 5,000            | 0                                      |
| Ponce Inlet Lighthouse Point Park-Waterway Asst-Phase I                          | 37.017                  | VO-96-28                                   | 295,761          | 0                                      |
| Waterway Assistance Program-Phase II                                             | 37.017                  | VO-97-32                                   | 0                | 0                                      |
| Waterway Assistance Program-Phase III                                            | 37.017                  | VO-98-35                                   | 0                | 0                                      |
| S. Jetty Extension-Ponce Inlet & Fishing Dock                                    | 37.017                  | ICW-PIA-00-04                              | 0                | 0                                      |
| <b>Total Florida Department of Environmental Protection</b>                      |                         |                                            | <b>3,037,984</b> | <b>72,923</b>                          |
| <b>Florida Fish and Wildlife Conservation Commission</b>                         |                         |                                            |                  |                                        |
| Manatee Public Outreach Initiative                                               | 77.003                  | 99174                                      | 10,359           | 0                                      |
| Derelict Vessel Removal                                                          | 77.005                  | 99148                                      | 601              | 0                                      |
| <b>Total Florida Fish and Wildlife Conservation Commission</b>                   |                         |                                            | <b>10,960</b>    | <b>0</b>                               |
| <b>Florida Department of State</b>                                               |                         |                                            |                  |                                        |
| <b>Division of Historic Preservation:</b>                                        |                         |                                            |                  |                                        |
| Courthouse/DeLand - Phase II                                                     | 45.017                  | SC-839*                                    | 0                | 0                                      |
| Courthouse/DeLand - Phase III                                                    | 45.017                  | SC-166*                                    | 375,000          | 0                                      |
| Courthouse/DeLand - Phase IV                                                     | 45.017                  | SC-274                                     | 0                | 0                                      |
| DeBary Hall                                                                      | 45.017                  | S9006*                                     | 17,187           | 0                                      |
| DeBary Hall                                                                      | 45.017                  | SC910*                                     | 921              | 0                                      |
| <b>Division of Historic Preservation</b>                                         |                         |                                            | <b>393,108</b>   | <b>0</b>                               |
| <b>Division of Library Services:</b>                                             |                         |                                            |                  |                                        |
| State Aid to Libraries                                                           | 45.030                  | 01-ST-69                                   | 831,209          | 0                                      |
| <b>Total Division of Library Services</b>                                        |                         |                                            | <b>831,209</b>   | <b>0</b>                               |
| <b>Division of Historical Resources:</b>                                         |                         |                                            |                  |                                        |
| Interpretive Exhibits for DeBary Hall                                            | 45.017                  | M2069                                      | 15,000           | 0                                      |
| <b>Total Division of Historical Resources</b>                                    |                         |                                            | <b>15,000</b>    | <b>0</b>                               |
| <b>Division of Cultural Affairs:</b>                                             |                         |                                            |                  |                                        |
| Cultural Arts Grant Program                                                      | 45.005                  | 02-8015                                    | 9,927            | 0                                      |
| Cultural Arts Grant Program                                                      | 45.005                  | 01-8015                                    | 29,654           | 0                                      |
| <b>Total Division of Cultural Affairs</b>                                        |                         |                                            | <b>39,581</b>    | <b>0</b>                               |
| <b>Office of the State Courts Administrator</b>                                  |                         |                                            |                  |                                        |
| Article V Trust Fund                                                             | 22.003                  | V                                          | 169,671          | 0                                      |
| Traffic Hearing Officer                                                          | 22.001                  | 794-C*                                     | 44,941           | 0                                      |
| Traffic Hearing Officer                                                          | 22.001                  | 794-D*                                     | 0                | 0                                      |
| <b>Total Office of the State Courts Administrator</b>                            |                         |                                            | <b>214,612</b>   | <b>0</b>                               |
| <b>Florida Department of Health</b>                                              |                         |                                            |                  |                                        |
| EMS Trust Fund                                                                   | 64.005                  | C0064                                      | 82,707           | 0                                      |
| EMS Matching Award                                                               | 64.003                  | EM069                                      | 0                | 0                                      |
| EMS Matching Award                                                               | 64.003                  | EM099                                      | 0                | 0                                      |
| EMS Child Passenger Safety                                                       | 64.006                  | AI585/J2-00-17-09-01                       | 1,284            | 0                                      |
| <b>Total Florida Department of Health</b>                                        |                         |                                            | <b>83,991</b>    | <b>0</b>                               |
| <b>Florida Attorney General - Department of Legal Affairs</b>                    |                         |                                            |                  |                                        |
| Motor Vehicle Theft Prevention                                                   | 41.004                  | 00-022-00*                                 | 61,222           | 0                                      |
| <b>Total Florida Attorney General - Department of Legal Affairs</b>              |                         |                                            | <b>61,222</b>    | <b>0</b>                               |
| <b>Florida Department of Community Affairs</b>                                   |                         |                                            |                  |                                        |
| Hazardous Material                                                               | 52.008                  | 00CP-3V-06-74-22-031*                      | 13,773           | 0                                      |
| Hazardous Material                                                               | 52.008                  | 02CP-11-06-74-22-041*                      | 0                | 0                                      |
| Call Down System-Reverse 911                                                     |                         | 02CP-10-06-74-01-126                       | 0                | 0                                      |
| Weatherization/LEHRP                                                             | 52.015                  | 01LE-35-06-74-08-032                       | 0                | 0                                      |
| Manufactured Home Tie Down                                                       | 52.019                  | 01-RC-11-06-74-01-012                      | 198,722          | 0                                      |
| <b>Total Florida Department of Community Affairs</b>                             |                         |                                            | <b>212,495</b>   | <b>0</b>                               |
| <b>Florida Housing Finance Corporation</b>                                       |                         |                                            |                  |                                        |
| State Housing Incentive Program. (S.H.I.P.)                                      | 52.901                  | (98-02) 206*                               | 3,407,166        | 0                                      |
| <b>Total Florida Housing Finance Corporation</b>                                 |                         |                                            | <b>3,407,166</b> | <b>0</b>                               |

COUNTY OF VOLUSIA, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2001

| FEDERAL / STATE AGENCY<br>PASS-THROUGH ENTITY<br>FEDERAL PROGRAM / STATE PROJECT    | CFDA/<br>CSFA<br>NUMBER | CONTRACT<br>GRANT<br>IDENTIFICATION NUMBER | EXPENDITURES         | AMOUNT<br>PROVIDED TO<br>SUBRECIPIENTS |
|-------------------------------------------------------------------------------------|-------------------------|--------------------------------------------|----------------------|----------------------------------------|
| <b>Florida Department of Management Services</b>                                    |                         |                                            |                      |                                        |
| One Stop Permitting                                                                 | 72.xxx                  | 2000-12                                    | 0                    | 0                                      |
| <b>Total Florida Department of Management Services</b>                              |                         |                                            | <b>0</b>             | <b>0</b>                               |
| <b>Florida Department of Transportation</b>                                         |                         |                                            |                      |                                        |
| Intermodal Transit Facility: Job#79099-3888                                         | 55.014                  | AF830/WPI5839517*                          | 0                    | 0                                      |
| Closed Circuit TV                                                                   | 55.008                  | 410523-1-54-01                             | 0                    | 0                                      |
| VOTRAN Operating Assistance                                                         | 55.012                  | AG109/247083-1-84-01                       | 88,987               | 0                                      |
| VOTRAN Operating Assistance                                                         | 55.012                  | AI301/407356-1-84-01                       | 169,596              | 0                                      |
| VOTRAN Operating Assistance                                                         | 55.007                  | AJ220/409084-1-84-01                       | 26,071               | 0                                      |
| VOTRAN Operating Assistance                                                         | 55.010                  | AJ182/247065-1-84-01                       | 1,642,481            | 0                                      |
| VOTRAN Commission for the<br>Transportation Disadvantaged                           | 55.001                  | AI709/248541-1-84-01                       | 480,261              | 0                                      |
| <b>AIRPORT PROJECTS:</b>                                                            |                         |                                            |                      |                                        |
| Construct A General Aviation Apron & Taxiway<br>Job # 79098-3892, Contract # A-D290 | 55.004                  | WPI # 5828963*                             | 0                    | 0                                      |
| <b>Loan Program:</b>                                                                |                         |                                            |                      |                                        |
| Land Acquisition Program<br>Job # 79000-3861, Contract # A-A150                     | 55.004                  | WPI # 5828898*                             | 0                    | 0                                      |
| <b>Total Florida Department of Transportation</b>                                   |                         |                                            | <b>2,407,396</b>     | <b>0</b>                               |
| <b>TOTAL STATE FINANCIAL ASSISTANCE</b>                                             |                         |                                            | <b>\$ 10,714,724</b> | <b>72,923</b>                          |
| <b>COMPONENT UNIT: CLERK OF THE CIRCUIT COURT</b>                                   |                         |                                            |                      |                                        |
| <b>FEDERAL AGENCY</b>                                                               |                         |                                            |                      |                                        |
| <b>Department of Health and Human Services</b>                                      |                         |                                            |                      |                                        |
| Pass Through:                                                                       |                         |                                            |                      |                                        |
| Florida Department of Revenue :                                                     |                         |                                            |                      |                                        |
| Child Support Enforcement Title IV-D                                                | 93.563                  | N/A                                        | \$ 433,350           | 0                                      |
| <b>Total Department of Health and Human Services</b>                                |                         |                                            | <b>433,350</b>       | <b>0</b>                               |
| <b>TOTAL FEDERAL AWARDS TO COMPONENT UNIT</b>                                       |                         |                                            | <b>\$ 433,350</b>    | <b>0</b>                               |

N/A Not-Applicable

\* Identified through confirmation with state program officials, as state grants and aid appropriations.

**County of Volusia, Florida**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2001**

**Section I—Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued: **Unqualified**

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes        X   No
- Reportable condition(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes        X   None reported

Noncompliance material to financial statements noted. \_\_\_\_\_ Yes        X   No

**Federal Awards and State Financial Assistance**

Internal control over major federal programs and state projects:

- Material weakness(es) identified? \_\_\_\_\_ Yes        X   No
- Reportable condition(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes        X   None reported

Type of auditor’s report issued on compliance for major federal programs and state projects: **Unqualified**

Any audit findings disclosed that are required to be reported in accordance with the Rules of the Auditor General \_\_\_\_\_ Yes        X   No

Identification of major federal programs and state projects:

**CFDA Number**

14.871  
20.500  
20.507  
20.000  
20.106  
93.778  
66.458

**CSFA Numbers**

37.043  
37.039  
37.017  
45.017  
45.030  
52.019  
52.901  
55.010  
55.001

**Name of Federal Program**

Section 8 Voucher  
FTA Capital Grant (Intermodal)  
FTA Investment Formula Grant  
FAA Passenger Facility Charges  
FAA Airport Improvement Grant  
HHS Medicaid  
EPA State Revolving Fund

**Name of State Project**

Compliance Inspection  
SE Waterfront Sewer Grant  
Waterway Assistance  
DeLand Courthouse Restoration  
State Aid to Libraries  
Mobile Home Tie Down  
State Housing Initiatives Partnership  
Transportation Block Grant  
Votran Commission for Disadvantaged

Dollar threshold used to distinguish between type A and type B programs:

|                            |           |
|----------------------------|-----------|
| Federal (low risk auditee) | \$722,647 |
| State                      | \$321,442 |

**Section II—Financial Statement Findings**

None

**Section III—State Financial Assistance Findings and Questioned Costs**

None



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Tel 561-234-8484  
FAX 561-234-8488

10 Dogwood Trail  
Suite D  
DeBary, Florida 32713  
Tel 407-668-3328  
FAX 407-668-3327

## MANAGEMENT LETTER

To the Honorable County Council Members  
County of Volusia, Florida

We have audited the basic financial statements of the County of Volusia, Florida (the "County"), as of and for the fiscal year ended September 30, 2001, and have issued our report thereon dated February 28, 2002.

We conducted our audit in accordance with United States generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, Non-Profit Organizations*. We have issued our independent auditors' report on compliance and internal control over financial reporting, independent auditors' report on compliance and internal control and over compliance applicable to each major federal program and state project, and schedule of findings and questioned costs. Disclosures in those reports and schedule, which are dated February 28, 2002, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General. Those rules (Section 10.554(1)(g)1.a.) require that we address in the management letter, if not already addressed in the auditors' reports on compliance and internal controls or schedule of findings and questioned costs, whether or not inaccuracies, shortages, defalcations, fraud, and/or violations of laws, rules, regulations, and contractual provisions reported in the preceding annual financial audit report have been corrected. All inaccuracies, irregularities, shortages, defalcations, and/or violations of laws, rules, regulations, and contractual provisions disclosed in the preceding annual report have been corrected.

The Rules of the Auditor General (Section 10.554(1)(g)1.b) require that we address in the management letter, if not already addressed in the auditors' reports on compliance and internal controls or schedule of findings and questioned costs, whether or not recommendations made in the preceding annual financial audit report have been followed. The recommendations made in the preceding annual financial audit report have been corrected.

As required by the Rules of the Auditor General (Section 10.554 (1A)(g)2.), the scope of our audit included a review of the provisions of Section 218.415., Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the County complied with Section 218.415, Florida Statutes.

The Rules of Auditor General (Section 10.554(1)(g)4.) require disclosure in the management letter of the following matters if not already addressed in the auditors' reports on compliance and internal controls or schedule of findings and questioned costs: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred; (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (4) failures to properly record financial transactions; and (5) other inaccuracies,



shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. Our audit disclosed no matters required to be reported.

As required by the Rules of the Auditor General (Section 10.554(1)(g) 6.a.), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, regarding financial emergencies. In connection with our audit, we determined that the County is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statutes.

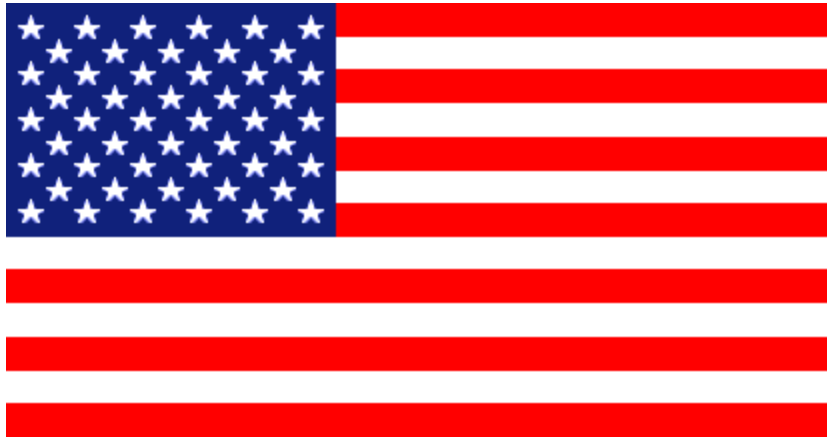
As required by the Rules of the Auditor General (Section 10.554(1)(g)6.b), we determined that the annual financial report for the County for the fiscal year ended September 30, 2001, filed with the Department of Banking and Finance pursuant to Section 218.32, Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2001.

As required by the Rules of the Auditor General (Sections 10.554(g)(6)c. and 10.556), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.

This management letter is intended solely for the information of the County Council and management, and the State of Florida Office of the Auditor General and Federal and State Grantor Agencies, and is not intended to be and should not be used by anyone other than these specified parties.

*Harris, Cotherman, O'Keefe & Associates*

February 28, 2002  
Winter Park, Florida



50 Star Flag - 1960-Now