

JAMES MOORE & CO., P.L.
CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

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

To the Honorable County Council Members
of the County of Volusia, Florida:

We have audited the financial statements of the County of Volusia, Florida, as of and for the year ended September 30, 2003, and have issued our report thereon dated January 23, 2004. We did not audit the financial statements of Volusia County Clerk of the Circuit Court or Emergency Medical Foundation, Inc., which represent ninety-seven percent and ninety-nine percent of the assets and revenues, respectively, of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Volusia County Clerk of the Circuit Court and Emergency Medical Foundation, Inc., is based on the reports of the other auditors. 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 of Volusia, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 of Volusia, Florida'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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County of Volusia, Florida's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described below.

1) Lack of Segregation of Duties in Utility Billing (Prior Year Comment Repeated)

One person in the Water Resources and Utilities Division is currently responsible for uploading all meter readings into the Bill Master Billing system, correcting any errors, generating monthly bills, and preparing summary information which is submitted to the Accounting Division to record the general ledger journal entry. The present environment allows two people unlimited access to adjust customers' accounts, prior to generating monthly bills. (For instance, upon uploading meter readings, individual accounts can be changed to show lower or zero consumption, which could result in smaller or zero bills being generated for any accounts chosen by staff.)

The ability to make corrections or adjustments to the Consumption Report (generated after uploading meter readings) should not be allowed to be performed by the same person responsible for generating monthly bills. Adjustment reports should also be generated to document all adjustments to meter readings, and approved by an individual independent of the billing process. The people in this division should not have unlimited and equal access to all aspects of the utility billing computer program, but different levels of authority and unequal access based on their duties and positions. Also, considering the overall size of the utility billing section (two people), consideration might be given to cross training individuals in other departments and/or utilizing another department to segregate duties and strengthen internal controls.

2) Risk Management

Claims system conversion

The County implemented new workers' compensation claims software over a 6-month period, with the bulk of the conversion taking place during January 2003. The implementation lacked adequate planning, follow through and reconciliation of the data. Risk Management did not have documentation of reports out of either system or evidence they reconciled the data conversion. This resulted in numerous errors, including duplicate claims, payment history not matching the claim master, and recoveries from the old system not being reflected in the new system. Also, Risk Management personnel continued to enter claims transactions in the old system instead of the new system during January 2003. The County failed to run parallel systems until the new system's successful conversion was assured. As of September 2003, the reports out of new system had not been reconciled to the data transferred from the old system. The problems with the data were not identified until the information had been sent to the actuary.

Subsequent to year-end, the County consulted with the software vendor to correct these errors. It is our understanding the majority of the conversion problems as of September 30, 2003, have been corrected on a test copy of the data and will be performed on the live data shortly. Once this correction has been completed, all transactions since September 30, 2003 must be reviewed and reconciled.

Claims Administration

Claims Administration consists of the record keeping and processing of claims data. Risk Management does not have an adequate process in place to manage the daily processing of claims, to close and reconcile the month end, and to accumulate information on an annual basis needed for actuarial reports. Corporate Systems is used for auto liability, general liability, and property damage; PDS is used for workers' compensation.

One of the most important aspects of analyzing claims data is the ability to review development of losses at various points in time. In order to do so, the data must be "snapshotted" at monthly intervals. Both the PDS and Corporate Systems have a month end process that captures data at each month end valuation date.

Risk Management has not been performing the month end process. It is recommended the process be performed each month end beginning immediately. Various reports should be run each month end, and an organized filing system should be in place so they can be easily located if needed. The month end data tapes should be stored indefinitely.

Currently, a data extract is prepared from PDS or Corporate Systems, which is sent to the accounting department for check issuance. Procedures need to be established to ensure reconciliation between the PDS/Corporate Systems payment history and the actual payments per the general ledger on a monthly basis. Also, the underwriters report should be run each month end and reconciled to paid claims per the general ledger. It is also recommended that all extracts and check issuance occur within the same month to allow for proper reconciliation.

The data extract process currently in use is labor intensive and easily susceptible to errors. We recommend the County have PDS/Corporate Systems prepare a modification that will prepare the extract file for the accounting department. The modification should provide for a means to easily cross reference payments to the general ledger system.

Recoveries are reimbursements of claims paid from third parties (generally other insurance companies or reinsurers). Recoveries should be posted in the claims system the same month in which they are deposited. A query should be developed and run each month end to determine that all recoveries have been properly posted and reconciled to the general ledger.

Claims Management

In addition to administering claims, the reserves must be managed. This includes reviewing claims activity, open reserves, open claims and claim severity. County personnel should analyze this information on a continuous basis. In addition, this information must then be accumulated and provided to the actuary. Once the actuary is done, the actuary report should be studied to determine the impact of incurred but not reported claims. Periodic review of expected claims compared to actual should also be done. We noted numerous claims had no activity but had open reserves and in some cases the claimant had died and reserves were still open. Also, there were hundreds of report only claims that had not been closed and Risk Management was not aware of the impact on the actuary report. Based on these findings, especially the indication of possible lack of oversight of the claims, we recommend that an independent claims audit be conducted to determine proper reserving and claims handling practices are in place at the County of Volusia.

Overall, we recommend that County management conduct a thorough analysis to determine the best strategy to address the concerns regarding claims administration and management. The analysis should include various options, including the use of contractual services, to achieve an effective and efficient system.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above we consider the Risk Management comments to be material weaknesses.

In addition, we noted certain matters involving the internal control and its operation that we have reported to the management of the County of Volusia, Florida in the management comments that follow.

Management Comments

Our report on the internal control structure has been presented in the previous section of this report. The purpose of this section is to disclose conditions, which do not materially affect the financial statements of the County of Volusia, Florida. The following comments and recommendations are made to assist the County Council and management in administering future operations.

Southeast Volusia Advertising Authority

Develop a Policies and Procedures Manual—We believe a formal policies and procedures manual should be developed to establish more uniform and formal policies, and to prevent policy and procedural inconsistencies. The number of such inconsistencies can be minimized by the written codification of policies and procedures and insistence on adherence to them. Such a manual should include policies and procedures relative to all significant functions that involve the expenditure of funds and are capable of being measured on quantitative bases. A policies and procedures manual would help employees understand such matters as vacation and sick time policies and could help the entity in resolving, or defending itself against disputes, etc.

Segregate Cash Disbursements Responsibilities— In reviewing the procedures and controls related to cash disbursements functions, we noted that the executive director has more responsibility than is optimal. For instance, the executive director approves disbursements, signs checks, receives and reviews unopened bank statements, and prepares bank reconciliations. This condition could provide an opportunity for misappropriation of funds and concealment of such activity. In order to mitigate this condition, we recommend that someone other than the executive director receive and review unopened bank statements. Additionally, the executive director should not have sole check signing authority. These controls provide a supervisory element that can help prevent or detect improper or unauthorized disbursements.

Review Functions of Bank Accounts—At present, Southeast Volusia Advertising Authority maintains three separate bank accounts (operating, money market, and reserve). The reserve account is for emergency purposes, however, there is little activity in this account during the year. We recommend that management periodically review the functions of all bank accounts to determine whether they are necessary. Only the minimum number of bank accounts consistent with operating requirements should be established. Excessive bank accounts result in complexity and inefficient administration. Time needed to record accounting transactions, as well as time and fees incurred in auditing and accounting services, could be reduced if bank accounts were eliminated or combined when possible.

West Volusia Advertising Authority

Segregate Cash Disbursements Responsibilities – In reviewing the procedures and controls related to cash disbursements functions, we noted that the executive director has more responsibility than is optimal. For instance, the executive director approves disbursements, signs checks, receives and reviews unopened bank statements, and prepares bank reconciliations. This condition could provide an opportunity for misappropriation of funds and concealment of such activity. In order to mitigate this condition, we recommend that someone other than the executive director receive and review unopened bank statements. Additionally, the executive director should not have sole check signing authority. These controls provide a supervisory element that can help prevent or detect improper or unauthorized disbursements.

Limit Access to Sensitive Computer Reports—Monthly financial reports are prepared by using excel spreadsheets, however there are no formal procedures in effect to restrict unauthorized access to this sensitive data. Existing policies and procedures should include policies and objectives concerning the role of user passwords in securing information. We recommend developing a method (i.e. password protecting electronic documents) that limits access to reports to prevent unauthorized access to reports.

Budget

During our audit, it was noted that the budget department does not keep a master listing of all budget resolutions and transfers that are approved by County Council, and updated logs of budget resolutions are not being maintained on a timely basis. The budget department does not track any budget amendments related to grant funds in its annual rollforward schedules. We recommend the grant funds be included in the master listing of all budget resolutions approved by County Council, and that the master listing be updated timely and reviewed appropriately. This will enable the budget department to provide accurate supporting documentation on transactions that have an affect on the fiscal year budget and prevent unapproved amendments from being recorded.

This report is intended solely for the information and use of the County Council and management, the Auditor General of the State of Florida, and respective federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

James Moore & Co.

Daytona Beach, Florida

January 23, 2004 except for Note 17A, as to which the date is March 9, 2004

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**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, 2003**

FEDERAL / STATE AGENCY PASS-THROUGH ENTITY FEDERAL PROGRAM / STATE PROJECT	CFDA/ CSFA NUMBER	CONTRACT GRANT IDENTIFICATION NUMBER	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
FEDERAL AGENCY				
National Oceanic and Atmospheric Administration				
Coastal Impact Assistance	11.419	GRM-EM-NR0201A	\$ 31,830	\$ 0
Total NOAA			31,830	0
Department of Agriculture				
Pass-Through:				
Florida Department of Education:				
USDA Summer Food Services	10.559	04-0879	287,326	0
Total Department of Agriculture			287,326	0
Department of Housing and Urban Development				
Direct:				
Emergency Shelter Program	14.231	S-(01-02)-UC-12-0021	96,221	67,721
HOME Program	14.239	M-(97-02)-DC-12-0223	1,858,344	979,935
Community Development Program	14.218	B-(97-02)-UC-12-0008	3,566,957	2,195,938
Section 8 - Voucher Program	14.871	FL-29-V113	2,011,553	0
Pass-Through:				
Department of Community Affairs:				
CDBG Disaster Recovery Mitigation	14.228	01DB-27-06-74-02-G25	196,603	0
Total Department of Housing and Urban Development			7,729,678	3,243,594
US Fish and Wildlife Service				
Pass-Through:				
Florida Fish & Wildlife				
Prescribed Burning Program	15FFB	1448-40181-02-6-005	11,000	0
Scrub Habitat Survey	15.608	1448-40181-02	5,800	0
Artificial Reef	15.605	02114	24,900	0
Total US Fish and Wildlife Service			41,700	0
Department of Justice				
Direct:				
LLEBG/Disparate Allocation	16.592	2002-LB-BX-0099	244,392	0
LLEBG/Disparate Allocation	16.592	2001-LB-BX-0946	10,727	0
Weed & Seed - Community Services	16.595	2001-WS-Q8-0119B	179,058	120,811
Weed & Seed - Community Services	16.595	2001-WS-Q8-0119A	30,989	24,713
Weed & Seed - Asset Forfeiture	16.595	0805	2,602	0
Weed & Seed - Asset Forfeiture	16.595	0806	3,659	0
Office of Justice Program	16.585	2000-DC-VX-0060	196,606	0
Pass Through:				
Florida Department of Law Enforcement:				
Anti-Drug Boys & Girls Club	16.579	03-5A-06-74-01-226	30,000	30,000
Anti-Drug Administration	16.579	03-CJ-5A-06-74-01-223	22,467	0
Anti-Drug Abuse Youth Academy	16.579	03-CJ-5A-06-74-01-227	22,270	29,694
Anti-Drug Serenity House/S.O.R.T.	16.579	03-CJ-5A-06-74-01-225	74,250	74,250
Anti-Drug Jail Addiction Treatment	16.579	03-CJ-5A-06-74-01-228	11,797	0
Anti-Drug House Next Door/T.E.A.M.	16.579	03-CJ-5A-06-74-01-224	33,690	33,690
Operation Liberty Shield	16.007	03-LS-1P-06-74-23-112	31,287	0
Victims Advocate	16.575	V2017	70,818	0
Total Department of Justice			964,612	313,158

**COUNTY OF VOLUSIA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

FEDERAL / STATE AGENCY PASS-THROUGH ENTITY FEDERAL PROGRAM / STATE PROJECT	CFDA/ CSFA NUMBER	CONTRACT GRANT IDENTIFICATION NUMBER	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
Federal Highway Administration				
Pass Through:				
Florida Department of Transportation:				
Tomoka Farms Road	20.205	AJ941	0	0
DeLand Train Station	20.205	AE888	8,291	0
Otter Boulevard Replacement Bridge	20.205	AN210	6,757	0
Clyde Morris Intersection Improvements	20.205	AN121	4,237	0
South Atlantic Avenue Streetscape	20.205	AF402	511,970	0
Volusia County Sidewalk Projects	20.205	AK084	48,276	0
Lake Helen-Osteen Road & Catalina Blvd	20.205	AL325	160,294	0
Doyle Road & Courtland Blvd	20.205	406778-1-38/58-01	80,334	0
Spring to Spring Trail	20.205	AL894	0	0
Intersection Improvements	20.205	AM639A	10,051	0
Intersection Improvements	20.205	AM639B	1,886	0
Total Federal Highway Administration			832,096	0
Office of Library Services				
Pass Through:				
Division of Library Services:				
Library Services & Technology - Pierson II	45.310	02-LSTA-E-17	47,233	0
Total Office of Library Services			47,233	0
Federal Emergency Management Agency				
Pass Through:				
Florida Department of Community Affairs:				
Assistance To Firefighting Program	83.554	EMW-2002-F6-15316	70,681	0
Citizen Corps/CERT	83.564	03CT-95-06-74-02-422	0	0
Disaster Resistant Community Grant	83.551	EMA-2001-GR-0076	4,641	0
Continuity of Operations Plan (COOP)	83.562	03-FT-1B-06-74-01-327	19,950	0
Flood Mitigation Planning	83.536	03-FM-53-06-74-15-259	37,268	0
Flood Mitigation	83.536	03-FM-52-06-74-01-242	328,285	328,285
Emergency Management Preparedness Trust	83.552	03-BG-04-06-74-01-064	163,539	0
Residential Construction Mitigation	83.548	02-HM-2T-06-74-15-003	38,484	0
Total Federal Emergency Management Agency			662,848	328,285
Department of Health and Human Services				
Direct:				
Headstart Program	93.600	04CH3107/36	61,228	0
Pass Through:				
Agency For Health Care Administration:				
VOTRAN Medicaid Assistance Program	93.778	N/A	2,245,730	0
Florida Department of Community Affairs:				
CSBG Program	93.569	03-SB-2K-06-74-01-033	481,232	0
Low Income Home Energy Assistance Program	93.568	02-EA-21-06-74-01-030	190,565	0
Low Income Home Energy Assistance Program	93.568	03EA-3R-06-74-01-030	311,789	0
Total Department of Health and Human Services			3,290,544	0
Federal Transit Administration				
Direct:				
Intermodal Transit Facility	20.500	FL03-0203	777,733	0
VOTRAN Capital Assistance	20.507	FL03-0231	2,722,580	0
VOTRAN Capital Assistance	20.507	FL90-X367	406,150	0
VOTRAN Capital Assistance	20.507	FL90-X398	1,155	0
VOTRAN Capital Assistance	20.507	FL90-X425	20,758	0
VOTRAN Capital Assistance	20.507	FL90-X460	195,875	0
VOTRAN Capital Assistance	20.507	FL90-X474	803,016	0
VOTRAN Operating Assistance	20.509	FL90-0474	96,984	0
Total Federal Transit Administration			5,024,251	0

**COUNTY OF VOLUSIA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

FEDERAL / STATE AGENCY PASS-THROUGH ENTITY FEDERAL PROGRAM / STATE PROJECT	CFDA/ CSFA NUMBER	CONTRACT GRANT IDENTIFICATION NUMBER	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
Federal Aviation Authority				
Direct:				
Construct General Aviation Area; Upgrade Security Equipment; Upgrade Audio Communications; Replace 2-107 Vehicles FAA Contract #DTFA 06-99-A-80073 Project #248388 1 84 01, Contract #AG544 Project #406086 1 94 01, Contract #AH136 Project #406087 1 94 01, Contract #AH135	20.106	3-12-0017-3499	124,444	0
Construct Phases 1A, 1A.2, and 19.51% of Phase 1B (construction only) of Taxiway P; Expand Parcel 22 General Aviation Apron; Rehab Taxiway N-6 FAA Contract #DTFA 06-00-A-80173 Project # 408883 1 94 01, Contract # AJ601 Project # 410253 1 94 01, Contract # AJ600 Project # 410254 1 94 01, Contract #AJ610	20.106	3-12-0017-3600	50,007	0
Perform Airport Master Plan and Airport Layout Plan Update FAA Contract #DTFA 06-00-A-80135 Project # 408884 1 94 01, Contract # AJ187	20.106	3-12-0017-3700	29,057	0
Construct Taxiway Whiskey Extension and General Aviation Apron Extend Taxiway W; Construct Northwest General Aviation Apron; Update Airport Layout Plan FAA Contract # DTFA 06-01-A-80174 Project # 408883 1 94 01, Contract # AJ601 Project # 410254 1 94 01, Contract # AJ610	20.106	3-12-0017-3801	2,235,996	0
Federal Security Grant-Law Enforcement Officers and Security Equipment	20.106	3-12-0017-040-2002	342,122	0
Security Equipment (Fingerprint/Radio Equipment, Perimeter Fencing, Rekey Terminal Doors, Change Padlocks on Gates, Prepare Plans & Specs for Airport Perimeter Road)	20.106	3-12-0017-041-2002	329,990	0
Financing Cost (Innovative Financing Program) FAA Contract # DTFA 06-01-A-80181	20.106	3-12-0017-3901	2,154,978	0
Small Community Air Service Development Pilot Program	20.106	SCASDPP 11590-035	444,397	0
Total Federal Aviation Authority			5,710,991	0
TOTAL EXPENDITURES FEDERAL AWARDS			\$ 24,623,109	\$ 3,885,037

STATE AGENCY

Florida Department of Environmental Protection

Waste Tire Grant	37.015	ST364	\$ 65,242	\$ 0
Keep Volusia County Beautiful Grant	37.021	02/03	20,889	0
Riverbreeze Park Wetland Stormwater Treatment	37.039	WM792	21,385	0
Beach Erosion Control	37.003	98V01	122,012	0
Compliance Inspection '02	37.043	GC561-E/5	12,252	0
Compliance Inspection '03	37.043	GC561-F/6	153,702	0
Compliance Inspection '04	37.043	GC561-G/7	51,977	0
Super ACT Administration '02	37.024	GC631-1	18,048	0
Super ACT Administration '03	37.024	GC631-2	217,696	0
Super ACT Administration '98	37.024	GC539A	8,055	0

COUNTY OF VOLUSIA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2003

FEDERAL / STATE AGENCY PASS-THROUGH ENTITY FEDERAL PROGRAM / STATE PROJECT	CFDA/ CSFA NUMBER	CONTRACT GRANT IDENTIFICATION NUMBER	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
Florida Department of Environmental Protection, continued				
Super ACT Administration '90	37.024	GC60	258	0
Super ACT Administration '04	37.024	GC631--3	51,795	0
Stone Island Wastewater Collection and Transmission System	37.039	SP619070	602,641	0
S. Jetty Extension-Ponce Inlet & Fishing Dock	37.017	ICW-PIA-00-04	0	0
Total Florida Department of Environmental Protection			1,345,952	0
Florida Department of State				
Division of Historic Preservation:				
Courthouse/DeLand - Phase IV	45.017	SC-274	310,230	0
Division of Historic Preservation			310,230	0
Division of Library Services:				
State Aid to Libraries	45.030	03-ST-68	738,678	0
Total Division of Library Services			738,678	0
Division of Cultural Affairs:				
Cultural Arts Program	45.005	03-8021	1,906	0
License Plate	45.013	Florida Arts License Plate Program	2,560	0
Total Division of Cultural Affairs			4,466	0
Office of the State Courts Administrator				
Traffic Hearing Officer	22.001	794-C	4,657	0
Traffic Hearing Officer	22.001	794-D	3,239	0
Traffic Hearing Officer	22.001	794-E	23,193	0
Total Office of the State Courts Administrator			31,089	0
Florida Department of Health				
EMS Trust Fund	64.005	C2064	123,367	0
Total Florida Department of Health			123,367	0
Florida Department of Community Affairs				
Florida Forever Act	52.002	01-071-FF1	825,550	0
Florida Forever Act	52.002	02-003-FF2	314,783	0
Hazardous Material	52.008	00CP-3V-06-74-22-031	6,317	0
Hazardous Material	52.008	02CP-11-06-74-22-041	5,655	0
Hazardous Material	52.008	03CP-11-06-74-01-184	300	0
Call Down System-Reverse 911	52.xxx	02CP-10-06-74-01-126	2,132	0
Total Florida Department of Community Affairs			1,154,737	0
Florida Housing Finance Corporation				
State Housing Incentive Program. (S.H.I.P.)	52.901	(01-03) 206	2,593,392	300,000
Total Florida Housing Finance Corporation			2,593,392	300,000
Florida Department of Law Enforcement				
Violent Crime and Drug Control	71.004	99-2232	57,971	0
Total Florida Department of Law Enforcement			57,971	0

**COUNTY OF VOLUSIA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

FEDERAL / STATE AGENCY PASS-THROUGH ENTITY FEDERAL PROGRAM / STATE PROJECT	CFDA/ CSFA NUMBER	CONTRACT GRANT IDENTIFICATION NUMBER	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
Florida Department of Revenue				
Digital Map Conversion	73.023	Parcel Map	63,388	0
Total Florida Department of Revenue			63,388	0
Florida Department of Management Services				
Wireless 911 Emergency Telephone System	72.001	Wireless 911	474,587	0
Total Florida Department of Management Services			474,587	0
Florida Department of Transportation				
CR92, SR15A	55.008	410524-1-54-1	617,750	0
Saxon Blvd, US 92	55.008	410526-1-54-1	213,500	0
US 92 Pedestrian Overpass Bridge	55.008	AK965	7,497	0
I-4 Frontage Road	55.022	AM296	33,127	0
Daytona Beach Transportation Solution	55.022	AM110	50,307	0
VOTRAN Operating Assistance	55.007	AJ220/409084-1-84-01	89,117	0
VOTRAN Operating Assistance	55.012	AL127/411999-1-54-01	38,825	0
VOTRAN Operating Assistance	55.007	AL348/412964-1-84-01	43,480	0
VOTRAN Operating Assistance	55.007	AM728/247084-1-84-01	195,408	0
VOTRAN Operating Assistance	55.007	AM980/247085-1-84-01	1,874,250	0
VOTRAN Operating Assistance	55.007	AN274/404422-1-84-01	144,821	0
VOTRAN Commission for the Transportation Disadvantaged	55.001	AL995/24854-1-184-01	665,971	0
AIRPORT PROJECTS:				
Construct A General Aviation Area; Upgrade Security Equipment; Upgrade Audio Communications; Replace 2-107 Vehicles	55.004	AG544/248388-1-84-01	7,105	0
Perform Airport Master Plan and Airport Layout Plan Update	55.004	AJ187/408884-1-94-01	233	0
Construct/Extend Taxiway and Aviation Apron	55.004	AJ601/408883-1-94-01	46,922	0
Construct/Extend Taxiway and Aviation Apron	55.004	AJ600/410253-1-94-01	0	0
Operational/Maintenance Costs-Enhanced Federal Security Job #79000-3861, Contract #AA150	55.004	#24825414401	498,852	0
Operational/Maintenance Costs-Enhanced Federal Security Contract #AD290	55.004	#24831918401	250,000	0
Operational/Maintenance Costs-Enhanced Federal Security Contract AC824	55.004	#24835518401	250,000	0
Operational/Maintenance Costs-Enhanced Federal Security Contract AL705	55.004	#40968618401	31,111	0
Provide Payment on Bonds at Daytona Beach International Airport	55.004	#40945119401	66,277	0
Expand and Upgrade Power Vault and Equipment to Include an Emergency Generator at DBIA	55.004	#40968419401	3,088	0
Construct/Extend Taxiway and Aviation Apron; Environmental Mediation	55.004	AJ610/410254-1-94-01	105,124	0
Total Florida Department of Transportation			5,232,765	0
TOTAL STATE FINANCIAL ASSISTANCE			\$ 12,130,622	\$ 300,000

**COUNTY OF VOLUSIA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

I. Summary of Auditors' Results:

- A. Type of audit report issued on the basic financial statements: Unqualified
- B. Two reportable conditions related to internal control, one of which is reported as a material weakness, were disclosed by the audit of the financial statements.
- C. No Instances of noncompliance material to the financial statements of County of Volusia, Florida, were disclosed during the audit.
- D. There were no reportable conditions related to internal control over major federal programs or state projects disclosed by the audit.
- E. Type of report issued on compliance for major federal programs and state projects: Unqualified
- F. The audit did not disclose any audit findings, which are required to be reported under OMB Circular A-133 and Chapter 10.550, Rules of the Florida Auditor General.
- G. Major program identification:
 - Federal awards programs:
 - Community Development Block Grants/Entitlement Grants, CFDA 14.218
 - HOME Investment Partnerships Program, CFDA 14.239
 - Section 8 Housing Choice Vouchers, CFDA 14.871
 - Highway Planning and Construction (DOT) (Federal-Aid Highway Program), CFDA 20.205
 - State financial assistance projects:
 - Beach Erosion Control Program, CSFA 37.003
 - Statewide Surface Water Restoration and Wastewater Projects, CSFA 37.039
 - Florida Forever Act, CSFA 52.002
 - State Housing Initiatives Partnership Program, CSFA 52.901
 - Commission for the Transportation Disadvantaged Trip and Equipment Grant Program, CSFA 55.001
 - Commuter Assistance/Rideshare Grants, CSFA 55.007
 - Wireless 911 Emergency Telephone System, CSFA 72.001
- H. Dollar threshold used to distinguish between Type A and Type B programs or projects were \$738,693 for major federal programs and \$363,919 for major state projects.
- I. The County of Volusia, 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*:

1) Lack of Segregation of Duties in Utility Billing (Prior Year Comment Repeated)

One person in the Water Resources and Utilities Division is currently responsible for uploading all meter readings into the Bill Master Billing system, correcting any errors, generating monthly bills, and preparing summary information which is submitted to the Accounting Division to record the general ledger journal entry. The present environment allows two people unlimited access to adjust customers' accounts, prior to generating monthly bills. (For instance, upon uploading meter readings, individual accounts can be changed to show lower or zero consumption, which could result in smaller or zero bills being generated for any accounts chosen by staff.).

The ability to make corrections or adjustments to the Consumption Report (generated after uploading meter readings) should not be allowed to be performed by the same person responsible for generating monthly bills. Adjustment reports should also be generated to document all adjustments to meter readings, and approved by an individual independent of the billing process. The two people in this division should not have unlimited and equal access to all aspects of the utility billing computer program, but different levels of authority and unequal access based on their duties and positions. Also, considering the overall size of the utility billing section (two people), consideration might be given to cross training individuals in other departments and/or utilizing another department to segregate duties and strengthen internal controls.

2) Risk Management

Claims system conversion

The County implemented new workers' compensation claims software over a 6-month period, with the bulk of the conversion taking place during January 2003. The implementation lacked adequate planning, follow through and reconciliation of the data. Risk Management did not have documentation of reports out of either system or evidence they reconciled the data conversion. This resulted in numerous errors, including duplicate claims, payment history not matching the claim master, and recoveries from the old system not being reflected in the new system. Also, Risk Management personnel continued to enter claims transactions in the old system instead of the new system during January 2003. The County failed to run parallel systems until the new system's successful conversion was assured. As of September 2003, the reports out of new system had not been reconciled to the data transferred from the old system. The problems with the data were not identified until the information had been sent to the actuary.

Subsequent to year-end, the County consulted with the software vendor to correct these errors. It is our understanding the majority of the conversion problems as of September 30, 2003, have been corrected on a test copy of the data and will be performed on the live data shortly. Once this correction has been completed, all transactions since September 30, 2003 must be reviewed and reconciled.

Claims Administration

Claims Administration consists of the record keeping and processing of claims data. Risk Management does not have an adequate process in place to manage the daily processing of claims, to close and reconcile the month end, and to accumulate information on an annual basis needed for actuarial reports. Corporate Systems is used for auto liability, general liability, and property damage; PDS is used for workers' compensation.

One of the most important aspects of analyzing claims data is the ability to review development of losses at various points in time. In order to do so, the data must be "snapshotted" at monthly intervals. Both the PDS and Corporate Systems have a month end process that captures data at each month end valuation date.

Risk Management has not been performing the month end process. It is recommended the process be performed each month end beginning immediately. Various reports should be run each month end, and an organized filing system should be in place so they can be easily located if needed. The month end data tapes should be stored indefinitely.

Currently, a data extract is prepared from PDS or Corporate Systems, which is sent to the accounting department for check issuance. Procedures need to be established to ensure reconciliation between the PDS/Corporate Systems payment history and the actual payments per the general ledger on a monthly basis. Also, the underwriters report should be run each month end and reconciled to paid claims per the general ledger. It is also recommended that all extracts and check issuance occur within the same month to allow for proper reconciliation.

The data extract process currently in use is labor intensive and easily susceptible to errors. We recommend the County have PDS/Corporate Systems prepare a modification that will prepare the extract file for the accounting department. The modification should provide for a means to easily cross reference payments to the general ledger system.

Recoveries are reimbursements of claims paid from third parties (generally other insurance companies or reinsurers). Recoveries should be posted in the claims system the same month in which they are deposited. A query should be developed and run each month end to determine that all recoveries have been properly posted and reconciled to the general ledger.

Claims Management

In addition to administering claims, the reserves must be managed. This includes reviewing claims activity, open reserves, open claims and claim severity. County personnel should analyze this information on a continuous basis. In addition, this information must then be accumulated and provided to the actuary. Once the actuary is done, the actuary report should be studied to determine the impact of incurred but not reported claims. Periodic review of expected claims compared to actual should also be done. We noted numerous claims had no activity but had open reserves and in some cases the claimant had died and reserves were still open. Also, there were hundreds of report only claims that had not been closed and Risk Management was not aware of the impact on the actuary report. Based on these findings, especially the indication of possible lack of oversight of the claims, we recommend that an independent claims audit be conducted to determine proper reserving and claims handling practices are in place at the County of Volusia.

Overall, we recommend that County management conduct a thorough analysis to determine the best strategy to address the concerns regarding claims administration and management. The analysis should include various options, including the use of contractual services, to achieve an effective and efficient system.

- III. **Findings and Questioned Costs for Federal Programs and State Projects:** None.
- IV. **Summary Schedule of Prior Audit Findings:** No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to federal programs or state projects.
- V. **Corrective Action Plan:** There was no corrective action plan necessary for the year ended September 30, 2003, since there were no audit findings related to federal programs or state projects in the auditors' report for that fiscal year.

COUNTY OF VOLUSIA, FLORIDA
SCHEDULE OF PASSENGER FACILITY CHARGES (PFC) COLLECTED AND EXPENDED
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Quarter Ended December 31, 2002	Quarter Ended March 31, 2003	Quarter Ended June 30, 2003	Quarter Ended September 30, 2003	Year Ended September 30, 2003
PFC Revenues Received	\$ 149,259	\$ 163,554	\$ 179,072	\$ 181,375	\$ 673,260
Interest Earned	17,185	14,545	15,269	14,334	61,333
Total PFC Revenues Received	<u>\$ 166,444</u>	<u>\$ 178,099</u>	<u>\$ 194,341</u>	<u>\$ 195,709</u>	<u>734,593</u>
Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
PFC Cash Available at September 30, 2002					3,664,248
PFC Cash Available at September 30, 2003					<u>\$ 4,398,841</u>

Reconciliation to Restricted Net Assets for PFC Program as of September 30, 2003:

PFC Cash Available	\$ 4,398,841
PFC Due From Airlines	119,326
Restricted Net Assets for PFC Program	<u>\$ 4,518,167</u> *

* The restricted net assets is comprised of \$3,720,116 for debt service on land acquisition (93-01-C-03-DAB) and \$798,051 for debt

JAMES MOORE & CO., P.L.
CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM, EACH MAJOR STATE
PROJECT, AND PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133,
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL, AND PASSENGER
FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES**

To the Honorable County Council Members
of the County of Volusia, Florida:

Compliance

We have audited the compliance of the County of Volusia, Florida, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, the *Florida Executive Office of the Governor's State Projects Compliance Supplement* that are applicable to each of its major federal programs and state projects, and the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (the Guide), for the year ended September 30, 2003. The County of Volusia, Florida'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, major state projects, and its passenger facility charge program is the responsibility of the County of Volusia, Florida's management. Our responsibility is to express an opinion on the County of Volusia, Florida's compliance based on our audit. County of Volusia, Florida's financial statements include the operations of Volusia County Clerk of the Circuit Court (the component unit), which received \$524,830 in federal awards which is not included in the schedule during the year ended September 30, 2003. Our audit, described below, did not include the operations of the component unit because the component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; Chapter 10.550, Rules of the Florida Auditor General; and the Guide. Those standards, OMB Circular A-133; Chapter 10.550, Rules of the Florida Auditor General; and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program, major state project, or the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the County of Volusia, Florida'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 of Volusia, Florida's compliance with those requirements.

In our opinion, the County of Volusia, Florida, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs, each of its major state projects, and its passenger facility charge program for the year ended September 30, 2003.

Internal Control Over Compliance

The management of the County of Volusia, Florida, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs, state projects, and the passenger facility charge program. In planning and performing our audit, we considered the County of Volusia, Florida's internal control over compliance with requirements that could have a direct and material effect on a major federal program, major state project, or its passenger facility charge program in order 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, Chapter 10.550, Rules of the Florida Auditor General, and the Guide.

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 noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program, major state project, or the passenger facility charge program 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.

This report is intended solely for the information and use of the County Council and management, the Auditor General of the State of Florida, and respective federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

James Moore & Co.

Daytona Beach, Florida
January 23, 2004

JAMES MOORE & CO., P.L.
CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

**MANAGEMENT LETTER OF INDEPENDENT AUDITORS'
REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

To the Honorable County Council Members
of the County of Volusia, Florida:

We have audited the basic financial statements of the County of Volusia, Florida, as of and for the fiscal year ended September 30, 2003, and have issued our report thereon dated January 23, 2004. We did not audit the financial statements of Volusia County Clerk of the Circuit Court or Emergency Medical Foundation, Inc., which represent ninety-seven percent and ninety-nine percent of the assets and revenues, respectively, of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Volusia County Clerk of the Circuit Court and Emergency Medical Foundation, Inc., is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the provisions of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration. We have issued our Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting, Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Federal Program, Each Major State Project, and Passenger Facility Charge Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133, Chapter 10.550, Rules of The Auditor General, and Passenger Facility Charge Audit Guide for Public Agencies, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated January 23, 2004, 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 comment as to 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. None of the aforementioned were disclosed in the preceding audit report.

The Rules of the Auditor General (Section 10.554 (1)(g)1.b.) require that we comment as to 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, except for the matter reported under the heading "Prior Year Comment Repeated" in our report on compliance and on internal control.

As required by the Rules of the Auditor General (Section 10.554 (1)(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 of Volusia, Florida, complied with Section 218.415, Florida Statutes.

The Rules of the Auditor General (Section 10.554 (1)(g)3.) require disclosure in the management letter of any recommendations to improve financial management, accounting procedures, and internal controls. Our audit disclosed none of these matters not already addressed in our report on compliance and on internal control.

The Rules of the Auditor General (Section 10.554 (1)(g)4.) require us to disclose (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 none of these matters not already addressed in our report on compliance and on internal control.

The Rules of the Auditor General (Section 10.554 (1)(g)5.) also require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The legal authority for the primary government and each component unit of the reporting entity is disclosed in Note 1 in the basic financial statements.

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 of Volusia, Florida, is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statutes. Although the County of Volusia, Florida, has reported unrestricted net assets deficits for two consecutive years for the internal service funds, amounts reported as invested in capital assets, net of related debt were determined to be available to offset the reported deficits and unreserved fund balance is available in the general fund in an amount sufficient to cover the reported unrestricted net assets deficits.

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 of Volusia, Florida, for the fiscal year ended September 30, 2003, filed with the Florida 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, 2003.

As required by the Rules of the Auditor General (Sections 10.554 (1)(g)6.c. and 10.556), we applied financial condition assessment procedures. It is management's responsibility to monitor the County'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 and use of the County Council and management, the Auditor General of the State of Florida, and respective federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

James Moore & Co.

Daytona Beach, Florida

January 23, 2004 except for Note 17A, as to which the date is March 9, 2004

**COUNTY OF VOLUSIA
MANAGEMENT RESPONSES TO
INTERNAL CONTROL AND
MANAGEMENT COMMENTS**

Internal Control Over Financial Reporting

1) Lack of Segregation of Duties in Utility Billing (Prior Year Comment Repeated)

The water resources and utilities billing section has made the changes as recommended by the external auditor. With the current procedures, the meter readers upload the reads to the billing software. The software manufacturer created a new exception report that shows anomalies in the meter reads (high/low consumptions, no reads, etc.). The Office Assistant III runs the exception report and creates re-reads for field verifications or makes corrections as appropriate. A consumption report is then produced to track the changes made from the original exception report. Management reviews and approved any changes to the consumption report. The Management Specialist performs the billing procedures, producing and checking the billing register, then printing the bills. The Administrative Assistant performs random checks on the billings to review accuracy. A third position for the water billing section has been approved and will be staffed within the next 30 to 60 days. This will allow more segregation of duties and checks and balances within the section.

2) Risk Management

Claims System Conversion

The worker's compensation claims system conversion errors have been corrected and completed on a test copy of the data. This conversion included all documentation needed for reconciliation of the reports out of the new system to the data transferred from the old system. The conversion to live data has been completed. A plan has been developed for reconciliation of all transactions since September 30, 2003.

Claims Administration

The processing of claims is being managed adequately although there is a deficiency with monthly reconciliation to the general ledger. The new worker's compensation system (PDS) company is presently preparing the modifications to prepare the extract files for the Accounting Division. Auto liability, general liability and property damage will be converted from Corporate Systems to PDS. Since Corporate Systems no longer provides technical support to the current system, the ability to prepare extract files will be limited until the conversion to PDS.

Recoveries will be posted in the same month they are deposited. A query report will be provided to Accounting for reconciliation to the general ledger.

Claims Management

The Risk Manager does review claims activity, open reserves, open claims and claim severity on a regular basis. During the PDS conversion, the open claims with no activity, but with reserves, were identified and closed. Claims classified as “report only” must be recorded and reported to the actuary so that the incident frequency can be evaluated, however, these claims will be closed at the end of each fiscal year.

The State of Florida conducts an annual audit of worker’s compensation fund. We will explore the recommendation for an independent claims audit in addition to that conducted by the State.

Self-administration of the risk management programs can often result in cost savings when the proper financial management systems and processes are in place. A re-design of Risk Management’s financial management system has begun and will be implemented. The current software systems (Corporate Systems and PDS) do not provide a long-term solution for the risk management programs. Information Technology has determined that the AS 400 is difficult to support and is less “user friendly” than Windows based system. During the evaluation of the options to self-administration the feasibility of replacing the current systems will be assessed.

Management Comments

Southeast Volusia Advertising Authority West Volusia Advertising Authority

We agree with the comment of the auditors. The boards of the advertising authorities have agreed to have a certified independent audit performed on their financial records. We will review the auditors’ recommendations and assist the authorities in implementing these and any other suggested improvements.

Budget

Prior to fiscal year 2004, the Office of Management and Budget maintained a master list of budget resolutions that modify or change the adopted appropriations for those funds included in the annual budget document. This list is updated periodically throughout the year, and reviewed prior to commencement of the financial review in January of each year, as well as during the budget preparation process between the months of April through July, and again prior to the close of the fiscal year in September. Based on the auditor’s suggestion, this list will be updated and reviewed subsequent to each County Council meeting to reflect the most recent actions of the County Council.

The Office of Management and Budget assumed responsibility for grants management and accounting in fiscal year 2002 and employed a grants accountant in July 2002. Initial efforts were focused on bringing grant information up-to-date in accordance to prior practices established by the Accounting Division. Beginning in fiscal year 2004 a grants

budget document was published and budget resolutions that adjust grants are now tracked on the master listing of budget resolutions maintained by OMB. In addition, a grants spreadsheet has been created to track key information about the grant and the status of a grant from its initial application through final closure.



Volusia County
A great place to
live, work, and play.