

COUNTY OF VOLUSIA, FLORIDA



POPULAR ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

# ACKNOWLEDGEMENTS

The successful completion of this year's Popular Annual Financial Report is attributable to the efforts of several individuals deserving of special recognition. The cooperation, contributions, and expertise provided by each one is greatly appreciated.

The Accounting team is commended for their expertise and perpetual efforts put forth in the research, analysis, and compilation of this report.

Ryan Ossowski, CPA, Accounting Director	
Lynne Urice, Assistant Accounting Director	Shirley Liu, CPA, Senior Accountant
Jennifer Madewell, Senior Accountant	Svetlana Ries, Accountant Trainee
Terri Ruegger, CGFO, Fiscal Resource Manager	Myriam Lemay, CTP, Activity Project Manager
Tiffany Alvarez, Administrative Coordinator	Jaime Osipower, Accounting Clerk

## Additional Acknowledgements:

Rhonda Orr, CGFO, Department Director of Business Services  
Tammy Bong, Department Director of Budget and Administrative Services  
Roger Wittenberg, Fiscal Resource Manager, Community Assistance  
Wanda Lindberg, Fiscal Resource Manager, Revenue  
Robert Ehrhardt, Business Manager, Economic Development

# TABLE OF CONTENTS

Letter of Transmittal.....	1
The County and its Organization .....	3
Principal County Officials.....	4
Volusia County Organizational Chart.....	5
Economic Condition of the County .....	6
Annual Budget Cycle .....	8
Revenues .....	9
Expenses .....	13
Balance Sheet .....	17
Cash and Investments .....	20
Long-Term Debt.....	21
County-wide Property Taxes and Assessed Value.....	22
Demographics.....	24
Interesting Facts .....	25



March 24, 2017

It is a pleasure to present the seventh issue of the *County of Volusia, Florida, Popular Annual Financial Report for the fiscal year ended September 30, 2016*. It represents a brief presentation of financial information and activities of the County, but excludes discretely presented component units. Since the *Popular Annual Financial Report* contains simplified information, it does not conform to Generally Accepted Accounting Principles (GAAP) for governmental entities.

Information contained in this *Popular Annual Financial Report* was derived from the audited *County of Volusia, Florida, Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2016*. The CAFR consists of over 270 pages of detailed financial statements, notes, schedules, and reports and, along with this annual report, is published online at [www.volusia.org/finance](http://www.volusia.org/finance). The Government Finance Officers Association has awarded the County the Certificate of Achievement for Excellence in Financial Reporting for the CAFR, an ongoing tradition since the County received its first award in 1977.

Fiscal policy is established by the County Council, implemented by County management and includes sound management and fiscal practices, continued vigilance in long range monitoring of revenue and expense trends, maintaining strong reserve balances, and a conservative approach to debt management. I would like to thank the County Manager, County Chair, and County Council for their leadership and support in planning the financial operations of the County in a responsible and progressive manner.

Sincerely,

Donna de Peyster, CPA  
Deputy County Manager/Chief Financial Officer



Government Finance Officers Association

**Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting**

Presented to

**County of Volusia  
Florida**

For its Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2015**

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the County of Volusia, Florida for its Popular Annual Financial Report for the fiscal year ended September 30, 2015. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government popular reports.

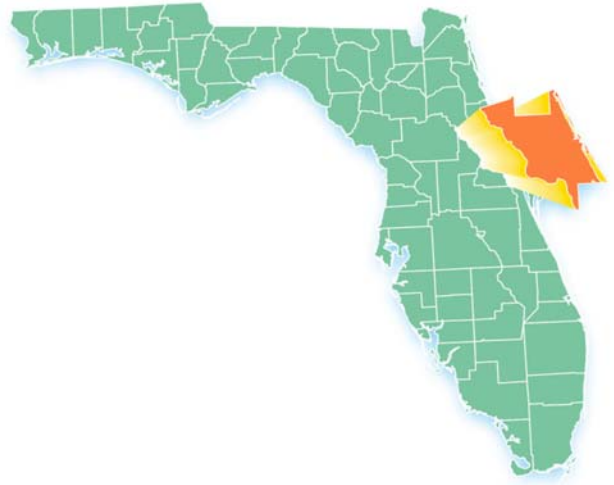
In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA for consideration.



# The County and its Organization

Volusia County is located in the east-central region of the State of Florida and bordered by the Atlantic Ocean. Volusia County is approximately 40 miles northeast of the City of Orlando and approximately 200 miles from Tallahassee, Florida's capital.



Volusia County was established in 1854 and became the 30<sup>th</sup> county in the State of Florida. In June 1970, the electorate of Volusia County adopted a Home Rule Charter, effective January 1, 1971. The County operates under a Council/Manager form of government. The promulgation and adoption of policy are the responsibility of the seven-member council and the execution of such policy is the responsibility of the council-appointed County Manager. The Council is elected on a non-partisan basis. Voters elect the County Council which consists of seven members that serve four-year terms. Five are elected by district; the County Chair and the At-Large representative are elected countywide.

The County provides a full range of services, including public protection; highway, street, and other infrastructure construction and maintenance; growth management; conservation and resource management; economic development; health and human welfare assistance; and recreational activities and cultural events. In addition, the County operates a water and sewer system, an international airport, a public transportation system, a parking garage, a garbage collection program, and a refuse disposal system.

## Volusia County Vision and Mission Statement

**Vision:** To be a community rich with resources and opportunities today and for generations to come.

**Mission:** To provide responsive and fiscally responsible services for the health, safety, and quality of life for our citizens.

### Strategic Goals:

- Thriving Communities: Promote health and safety, provide services to meet needs of citizens, and practice stewardship of the environment.
- Economic and Financial Vitality: Achieve strong economic health tied to job growth, industry balance, and financial soundness.
- Excellence in Government: Foster partnerships to deliver exceptional services.

# Principal County Officials

## COUNTY COUNCIL

Volusia County operates under a Council/Manager form of government. The promulgation and adoption of policy are the responsibility of the seven-member council. Board members at fiscal year-end were:

Jason P. Davis, County Chair

Pat Patterson  
Joyce M. Cusack  
Joshua J. Wagner  
Deborah Denys  
Doug Daniels  
Fred Lowry, Jr.

District No. 1, Vice Chair  
Council Member At-Large  
District No. 2  
District No. 3  
District No. 4  
District No. 5

## ELECTED OFFICIALS

Constitutional officers are elected officials responsible for specifically designated functions of County government. The elected officials at year-end were:

Ben F. Johnson  
Lisa Lewis  
Morgan B. Gilreath, Jr.

Sheriff  
Interim Supervisor of Elections  
Property Appraiser

## APPOINTED OFFICIALS

The council appoints the County Manager and the County Attorney.

James Dinneen  
Daniel Eckert

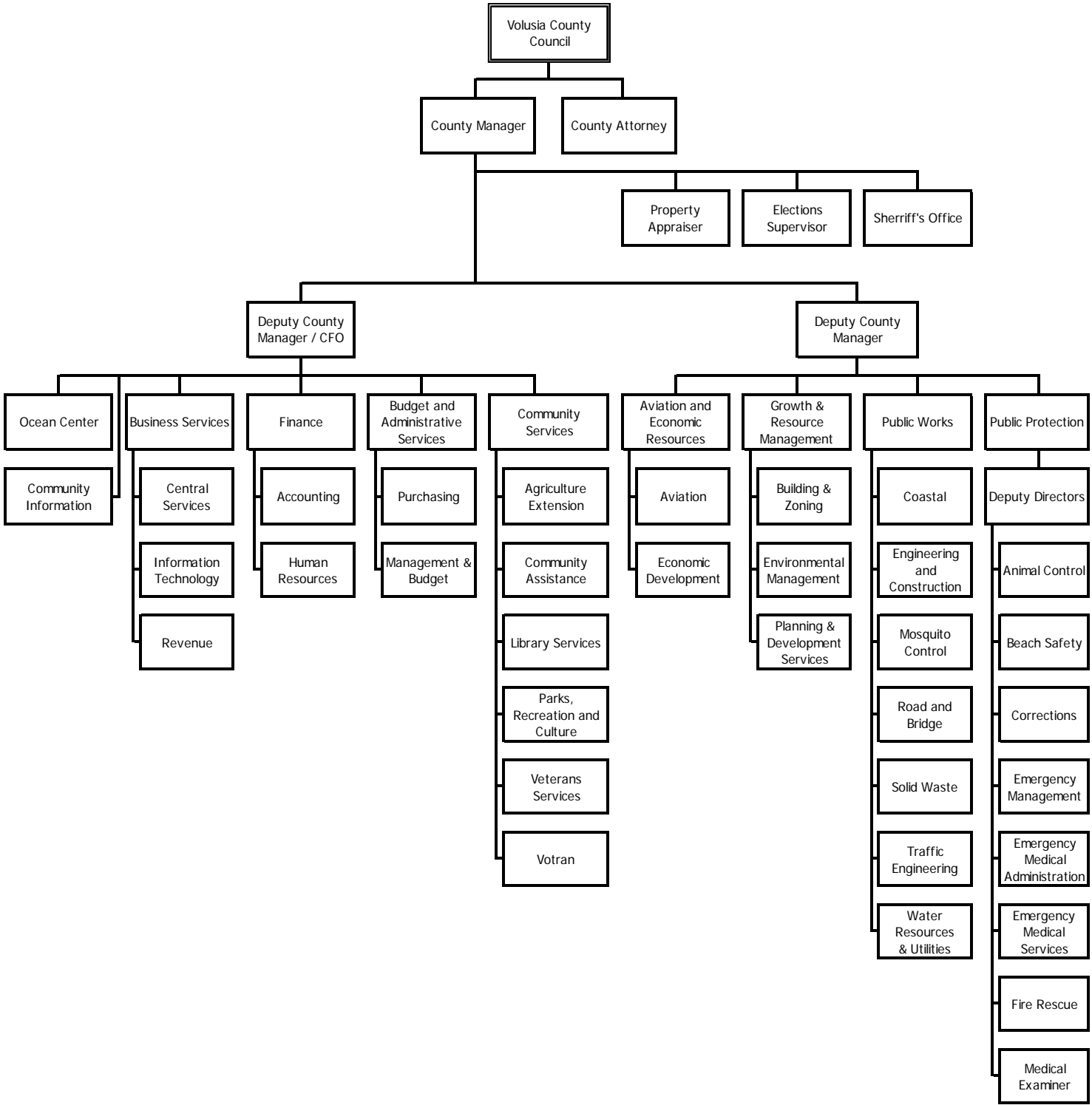
County Manager  
County Attorney

The County Manager appoints Deputy County Managers.

Donna de Peyster, CPA  
George Recktenwald

Deputy County Manager/CFO  
Deputy County Manager

# Volusia County Organizational Chart



# **Economic Condition of the County**

## **Local Economy**

The economy of Volusia County improved in fiscal year 2016 with almost all non-agricultural, private industry sectors showing employment growth. The number of unemployed residents remained steady at 12,826 in November 2016 compared to 12,460 in November 2015, while the number employed over the same time period increased by almost 8,900 to 235,275. The unemployment rate stood at 5.2 percent in November 2016.

Residential new construction permit activity increased 36.6 percent in both total numbers and dollars over the prior fiscal year. Commercial new construction permits in fiscal year 2016 increased 41.7 percent in number and 84 percent in total value over fiscal year 2015. New foreclosure filings and sales of foreclosed properties in Volusia County continued to decline compared to the prior year.

Tourism leaders estimate the county had 9.8 million visitors in calendar year 2016, a 3 percent increase over the record 9.5 million visitors in 2015. Overall, bed tax revenue has increased approximately 9.5 percent.

## **Business Expansion and Recruitment projects**

During the fiscal year ended September 30, 2016, the \$400 million DAYTONA Rising project was completed at Daytona International Speedway (DIS), and the International Speedway Corporation has begun construction of ONE DAYTONA, a mixed-use entertainment complex across the street from DIS. Phase one of the development exceeds \$120 million and includes a Cobb Theatre multiplex facility, a Daytona-themed Bass Pro Shops store, a new 145-room Marriott hotel and more than 250,000 square feet of retail, dining, and entertainment space. In November 2016, the Tanger Outlet Mall at Interstate 95 and LPGA Blvd was completed with private investment totaling \$100 million and 800 new full and part time positions created.

Halifax Health began construction of a \$12.9 million free standing emergency room on 30 acres in Deltona, the first of four facilities planned at the Interstate 4 and SR 472 interchange. Davita Labs broke ground in September for their new \$30 million facility in DeLand's Northwest Industrial Park. Northwest Lineman College finalized preparations to open a new facility in Edgewater's ParkTowne Industrial Center, making it the company's first training site in the eastern U.S.

B. Braun Medical, Inc. announced plans to renovate and expand a facility in Daytona Beach with projected investment of \$100 million, establishing their first manufacturing facility in Florida. The manufacturer is projected to create 175 higher wage positions once the project is complete. Volusia County approved performance-based financial support for several business expansion projects by small or medium-size local companies: Synergy Billing (Holly Hill), AMPS (DeLand), Dougherty Manufacturing (Edgewater), and Magnolia River Services Inc. (DeBary). Combined capital investment by these firms is projected to exceed \$30 million, and job creation could exceed 350 new, higher wage positions.



The Summit Hospitality Group is spending more than \$20 million to redevelop the former Desert Inn in Daytona Beach into a Westin Resort & Spa; the opening is anticipated in the summer of 2017. The Protogroup is nearing completion of a \$6.9 million six-story parking garage in Daytona Beach on the west side of A1A and is expected to begin construction in 2017 of the \$185 million Daytona Beach Convention Hotel & Condominiums project on the east side of A1A. The \$6 million renovation of the historic Streamline hotel in Daytona Beach is expected to be completed in the spring of 2017 and a five-story Courtyard by Marriott hotel is nearing completion in downtown DeLand, south of Stetson University.

### **Higher Education Expansion**

Embry Riddle Aeronautical University (ERAU) began construction of the John Mica Engineering and Aerospace Innovation complex at its \$32 million 17-acre Research Park West location adjacent to the Daytona Beach International Airport. In April 2016, a Through-The-Fence agreement was approved that allows the extension of Taxiway Sierra to provide ERAU with direct airport-airfield access from their research park, and will generate additional annual revenue from ERAU for the Daytona Beach International Airport. ERAU began construction of a new 4-story 177,000-square-foot student center and is nearing completion of a new 5-story 145,000 square foot residence hall.

Stetson University completed the new Marshall and Vera Lea Rinker Welcome Center and began a \$26 million expansion and renovation of the Carlton Union Building on the DeLand campus. Bethune-Cookman University opened Phase 1 of the Thomas and Joyce Hanks Moorehead Residential Life Center in Daytona Beach.

### **Transportation Programs and Initiatives**

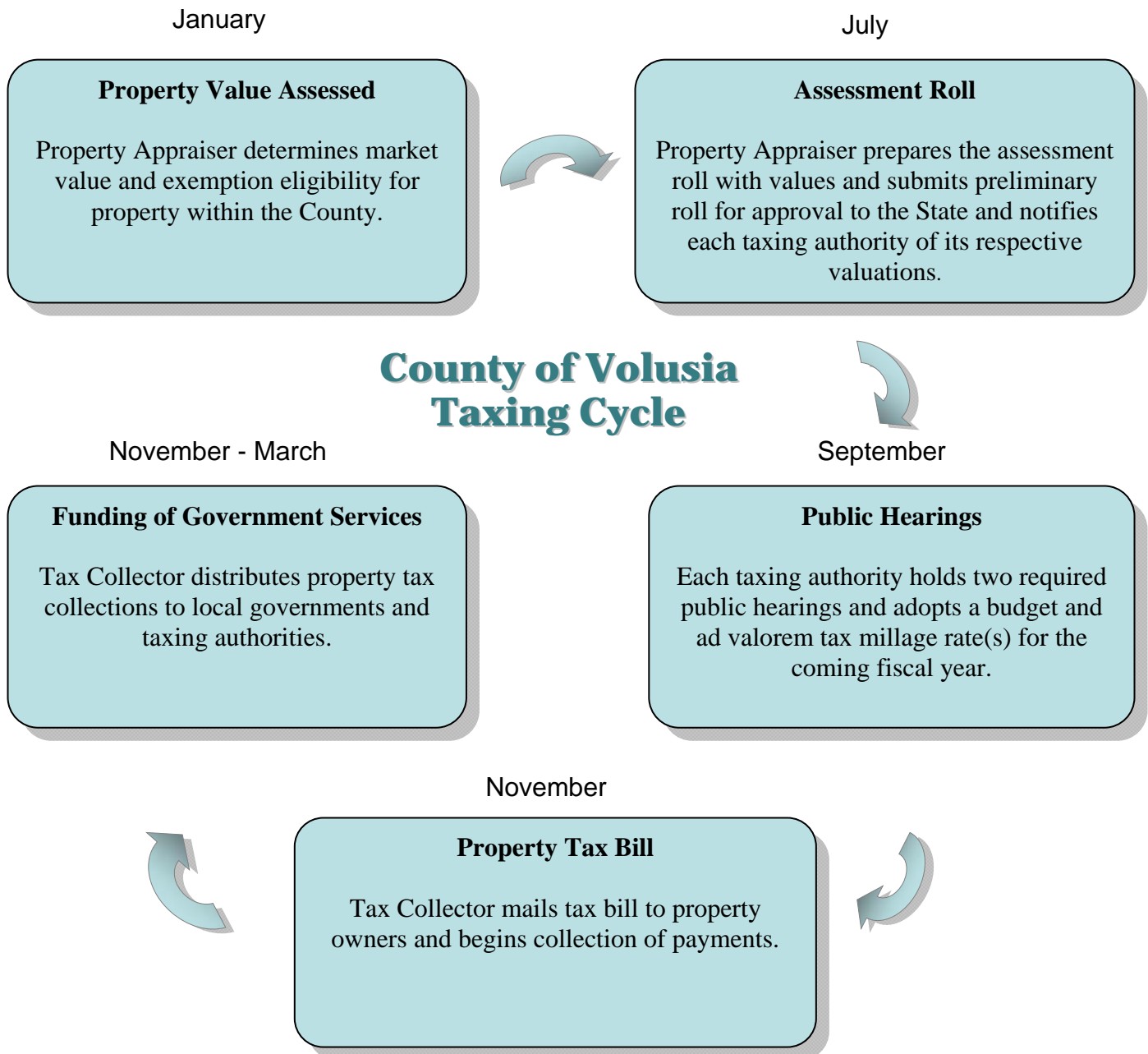
Passenger traffic at the Daytona Beach International Airport (DAB) through October 2016 increased 10 percent over 2015. Passenger traffic is at its highest in nine years and is projected to exceed 700,000 by the end of 2016, an increase of 65 percent compared to passenger traffic in 2009. The new JetBlue service (DAB-JFK), which began in January 2016, has become one of the most profitable new domestic routes for JetBlue according to JetBlue executives.

Construction started in June of 2016 to replace the outdated Airfield Rescue and Fire Fighting Facility and is expected to be complete in July of 2017. The design for extending Taxiway Sierra into ERAU's Research Park West was completed in 2016 and construction is expected to conclude in late 2017 or early 2018. The Airport received Federal Aviation Administration and Florida Department of Transportation funding in 2016 to commence an airport master plan update. This study will not only update the airport layout plan and provide supporting documentation for the airport's capital improvement program, but will also provide review and analysis of possible southern property development scenarios and options. Development of the southern property remains a high priority for the airport with a focus on real estate development for future aerospace, aeronautical, and supporting business opportunities.

Major interstate transportation construction improvements in Volusia County continued during 2016. The Florida Department of Transportation is nearing completion on the \$138 million Interstate 4 widening project and the \$118 million Interstate 95 widening project. Improvements to the Interstate 4/Interstate 95 interchange, valued at more than \$200 million, are underway with a planned completion date in 2018. Other transportation construction projects that were completed, or are near completion, include the widening of SR 415 (\$51 million), US 92 pedestrian improvements (\$17 million), Orange Avenue in Daytona Beach (\$43 million) and the extension of Williamson Boulevard to Pioneer Trail (\$15 million). Construction commenced on the new \$38 million Veterans Memorial Bridge project over the Halifax River in Daytona Beach.

# Annual Budget

The County must prepare an annual budget authorizing the spending of public funds. State law requires the County have a balanced budget that can only be amended through the fiscal year with approval of the County Council. Prior to October 1 of each year, the annual budget is legally adopted. Planning and preparation of the budget begins many months prior to its adoption. Two public hearings are held, usually in September, to elicit comments and feedback from County citizens concerning the proposed budget and tax rates.



# Revenues

## Comparison of Revenues Between Fiscal Years 2016, 2015 and 2014

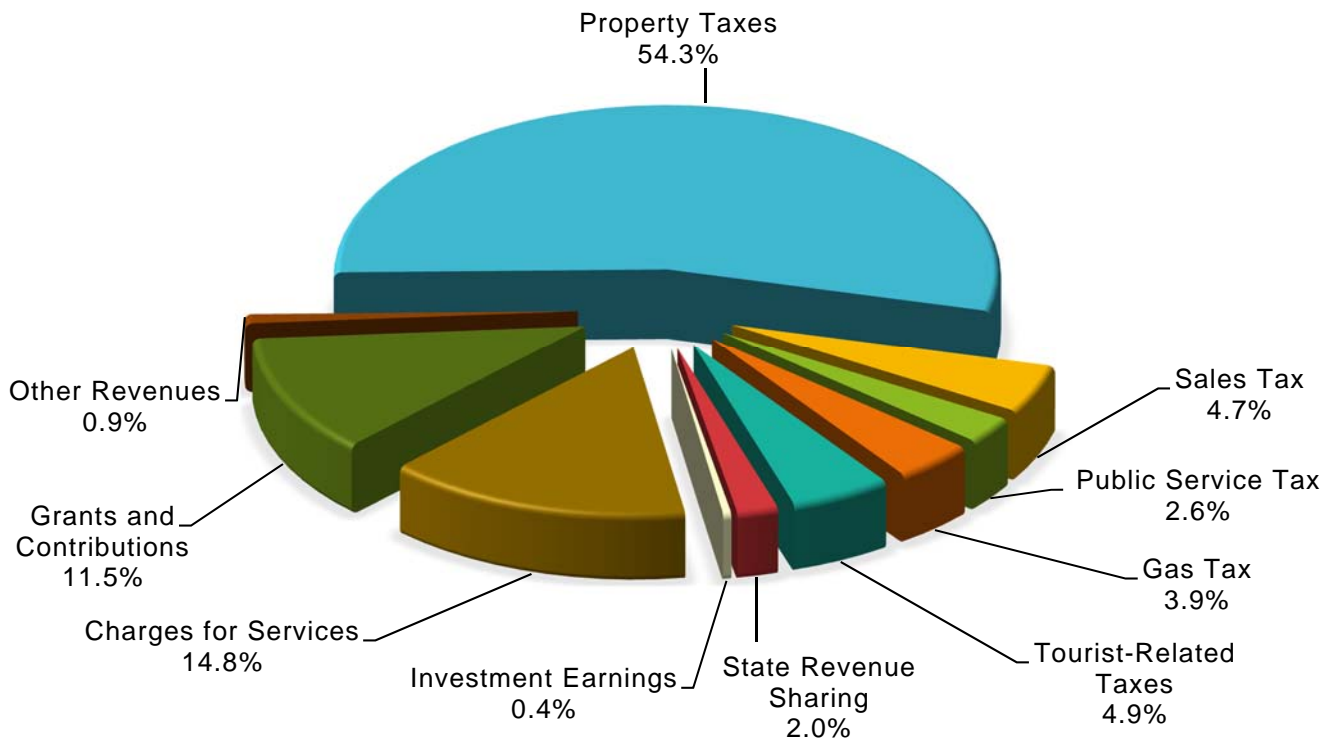
	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
(Amounts in Millions)			
<b>Governmental activities:</b>			
Property taxes	\$ 233	\$ 219	\$ 207
Sales tax	20	19	18
Public service tax	11	11	11
Gas tax	16	16	15
Tourist-related taxes	21	19	17
State revenue sharing	9	8	8
Investment earnings	2	3	2
Charges for services	64	62	62
Grants and contributions	49	41	36
Other revenues	4	5	5
Total governmental activities	<u>429</u>	<u>403</u>	<u>381</u>
<b>Business-type activities:</b>			
Refuse disposal	16	16	15
Daytona Beach International Airport	20	20	24
Volusia Transportation Authority	15	21	19
Water and sewer utilities	19	16	15
Parking garage	3	2	2
Garbage collection	8	8	8
Total business-type activities	<u>81</u>	<u>83</u>	<u>83</u>
	<u><b>\$ 510</b></u>	<u><b>\$ 486</b></u>	<u><b>\$ 464</b></u>

## Revenues – Governmental Activities

**Governmental Activities** are primarily supported by taxes, state shared revenues, or grants. These activities include the following functional areas: general government, public safety, physical environment, transportation, economic environment, health and social services, and culture/recreation.

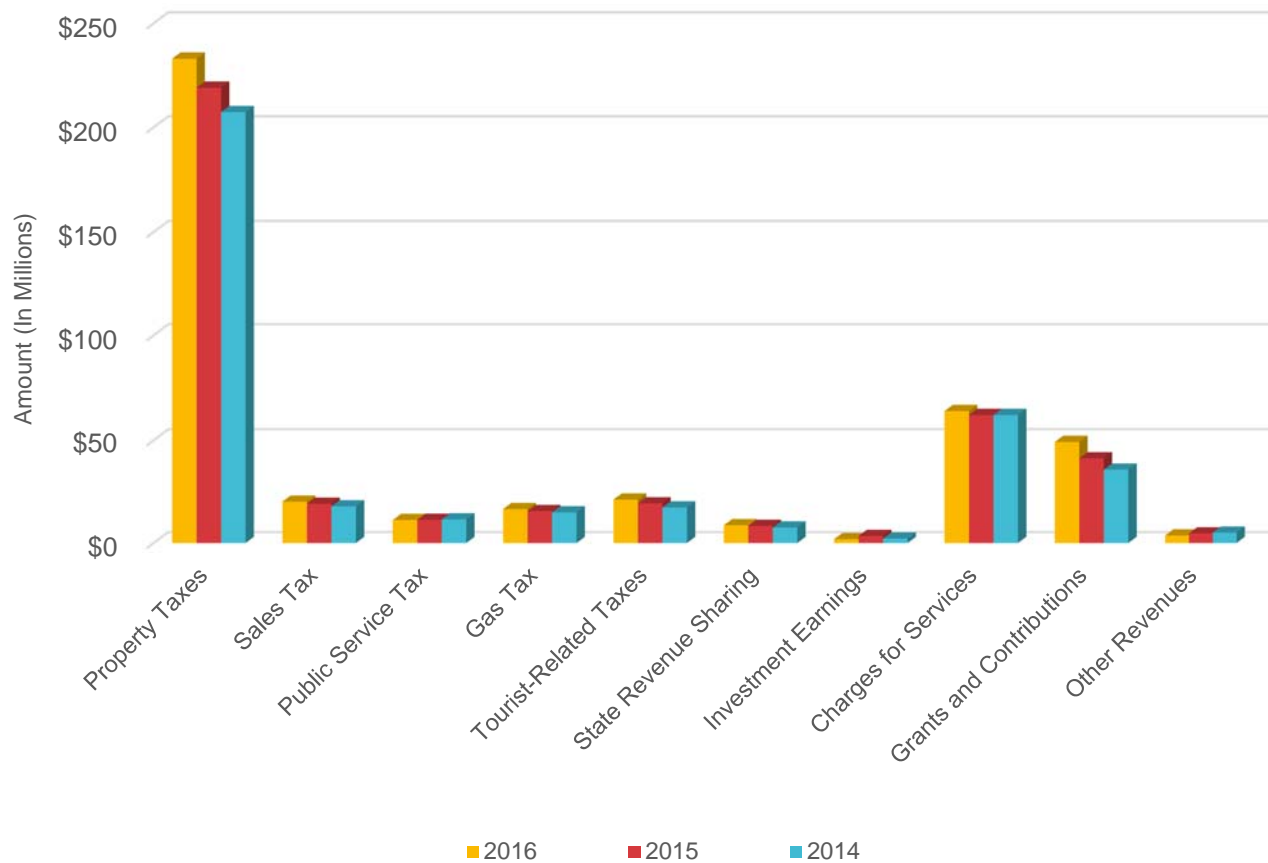
Revenues for the governmental activities increased by \$25,361,274 (6.3 percent). Increases in property tax revenue (approximately \$14.0 million), capital grants and contributions (approximately \$8.8 million), and charges for services (approximately \$1.9 million) were the primary reasons for the increase in revenues.

### Revenues by Source



# Revenues – Governmental Activities

## Comparison of Revenues by Source-Last Three Fiscal Years



## Revenues – Business-Type Activities

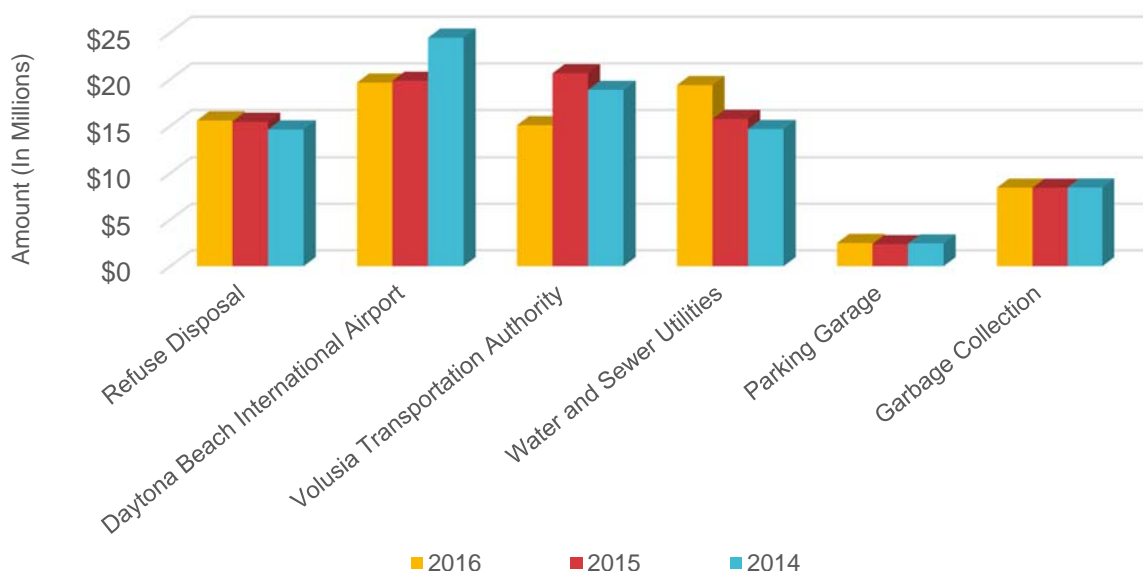
**Business-type Activities** are supported by fees and user charges that are set to recover the cost of services provided. Business-type activities consist of the refuse disposal, Daytona Beach International Airport, Volusia Transportation Authority (VOTRAN), water and sewer utilities, parking garage (beach side), and garbage collection funds.

The Daytona Beach International Airport (DBIA) experienced an increase in operating grant funding of approximately \$2.9 million primarily related to an innovative financing grant which reimburses based on the timing of debt payments. In the current fiscal year, debt payments with a scheduled due date of October 1, 2016 were paid one day early, on September 30, 2016. This timing variance resulted in the accrual of a second increment of the innovative financing grant and increased revenues of approximately \$2.5 million versus the prior year. The increase in DBIA operating grant funding was offset by a decrease in capital grant funding of approximately \$4.0 million primarily due to major capital grant projects that were completed in fiscal year 2015 which were not repeated in fiscal year 2016. Finally, DBIA had an increase in charges for services of approximately \$1.1 million due to increased airport rentals.

Volusia Transportation Authority (VOTRAN) capital grants decreased by \$5.8 million when compared to prior year because only 8 paratransit buses were purchased in fiscal year 2016 compared to 11 full-size and 16 paratransit buses in the prior fiscal year. However, operating grants for VOTRAN increased by approximately \$0.5 million due to an increase in grant eligible expenses.

The water and sewer activity revenue increased approximately \$2.1 million due to a new cost share grant with the St. Johns River Water Management District for the expansion of the Southwest Regional Water Reclamation Facility. This project was started during fiscal year 2016 and remains in progress. The water and sewer activity also had an increase in charges for services of approximately \$1.6 million due primarily to new housing development activity resulting in more connection and capacity reservation fee collections as well as new service charges related to these new users. No other large increases or decreases occurred related to business-type activities revenues.

**Comparison of Revenues by Business-type Activity-Last Three Fiscal Years**





# Expenses

## Comparison of Expenses Between Fiscal Years 2016, 2015 and 2014

	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2015</u>	<u>Fiscal Year 2014</u>
(Amounts in Millions)			
<b>Governmental activities:</b>			
General government	\$ 60	\$ 59	\$ 56
Public safety	180	158	162
Physical environment	7	6	6
Transportation	34	33	33
Economic environment	35	20	21
Human services	19	21	22
Culture/recreation	52	47	49
Interest on long-term debt	6	6	7
Total governmental activities	<u>393</u>	<u>350</u>	<u>356</u>
<b>Business-type activities:</b>			
Refuse disposal	13	12	13
Daytona Beach International Airport	17	18	17
Volusia Transportation Authority	26	25	24
Water and sewer utilities	13	14	13
Parking garage	2	2	2
Garbage collection	8	8	8
Total business-type activities	<u>79</u>	<u>79</u>	<u>77</u>
	<u><b>\$ 472</b></u>	<u><b>\$ 429</b></u>	<u><b>\$ 433</b></u>

# Expenses – Governmental Activities

**Governmental Activities** expenses are grouped and reported by functional area. These functional areas include:

**General government** includes the county council, county manager, county attorney, elections, property appraiser, growth management commission, judicial, financial services, central services, planning and development, construction engineering and information technology expenses.

**Public safety** includes the costs for sheriff, corrections, ambulance services, emergency management, fire services, medical examiner, emergency medical administration, public protection administration and building, zoning and code administration operations.

**Physical environment** includes expenses associated with conserving and managing natural resources such as air, water, soil, wildlife, as well as mitigating pollution.

**Transportation** includes expenses for roads, bridges, street lighting, storm water systems and other infrastructure, and highway safety operations and projects.

**Economic environment** includes expenses related to new business promotion and development, housing assistance and rehabilitation programs, and veterans' services.

**Human services** includes expenses for services such as public health care for the poor, public assistance, care for children and the elderly, mental health and substances abuse assistance, social services, as well as animal and mosquito control.

**Culture/recreation** expenses include costs related to libraries, parks, and recreational facilities.

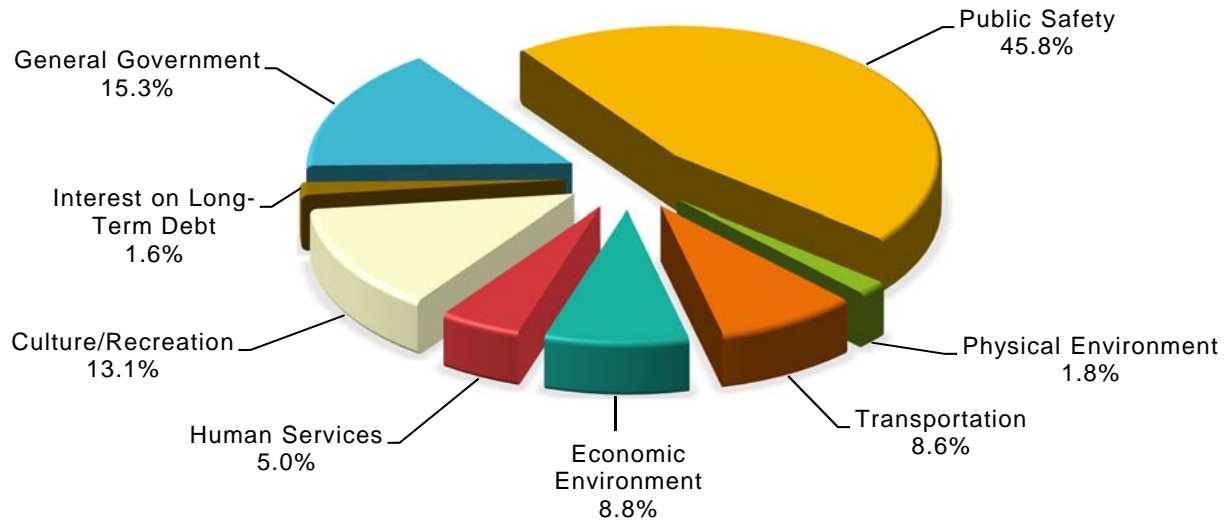
**Interest on long-term debt** includes costs related to interest expense for various bonds and notes issued for capital improvement projects.

The cost of all governmental activities during fiscal year 2016 increased \$42,594,252 (12.2 percent) compared to the prior year. Increases were experienced by all activities because of \$21.9 million in increased pension expense as calculated in the parameters of Government Accounting Standards Board (GASB) Statement No. 68 versus the prior fiscal year. Once the effect of GASB Statement No. 68 is removed, the remaining change in governmental activities expenses was an increase of \$20.7 million compared to the prior year. The majority of the remaining increases fall in two areas:

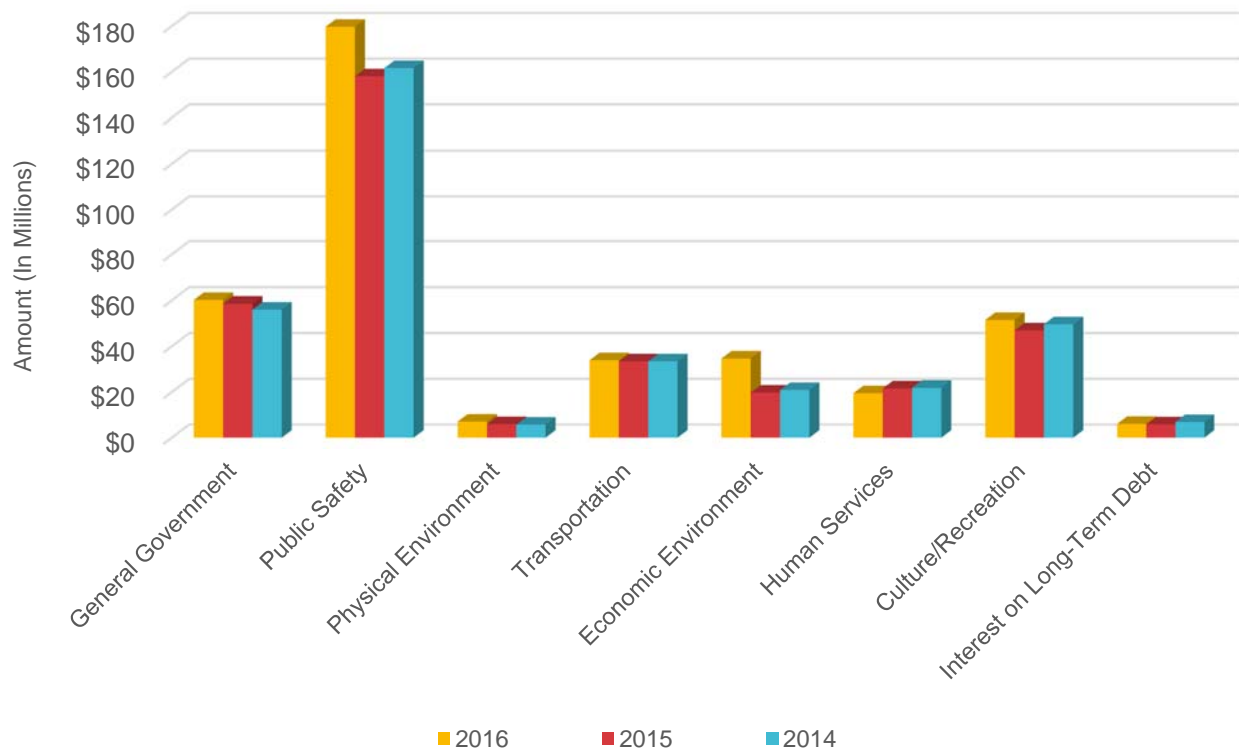
- \$14.8 million of the non-pension increase was attributable to the economic environment activity, almost all of which was economic development infrastructure incentives.
- \$5.3 million of the non-pension increase was attributable to the public safety activity, primarily due to a 3.0 percent pay adjustment, increased required contributions to fund the County's shared obligation with the State for juvenile justice and changes in required contributions to the County's medical insurance program

# Expenses – Governmental Activities

## Expenses by Function/Program



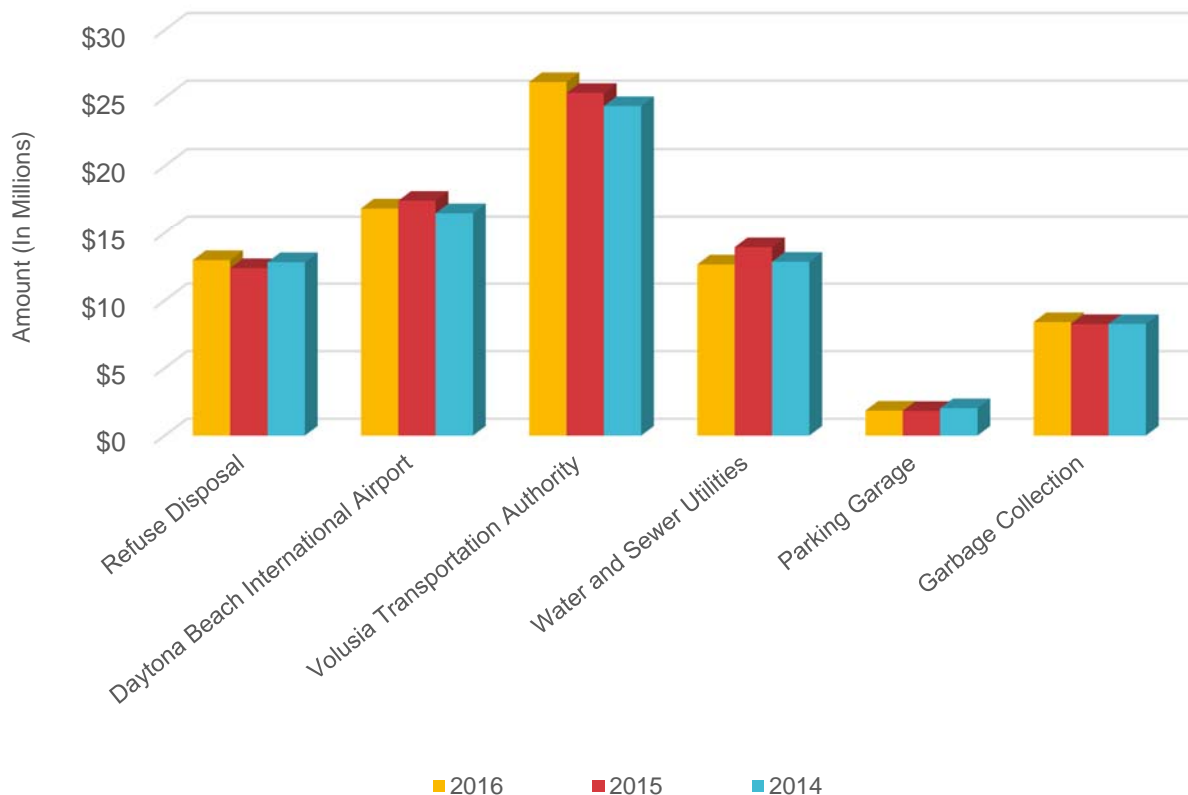
## Comparison of Expenses by Function/Program-Last Three Fiscal Years



## Expenses – Business-Type Activities

**Business-type Activities** expenses decreased by \$271,614 (0.3 percent), when compared to the prior fiscal year. Refuse disposal expenses were up by approximately \$0.6 million when compared to the prior fiscal year. The higher expenses were primarily due to an increase in landfill closure costs. Daytona Beach International Airport experienced an approximate \$0.6 million decrease in operating expenses for decreased maintenance and repair costs (\$1.6 million) related to roof repairs and apron drainage maintenance, offset by increases in advertising expense (\$0.6 million) and temporary staffing (\$0.4 million). VOTRAN's expenses were up by approximately \$0.8 million, primarily in personnel services (\$0.5 million) mainly due to a wage increase along with an increase in health insurance. The decrease in expenses from last fiscal year for the water and sewer activity was approximately \$1.3 million, due to a one-time purchase in the prior fiscal year. No other large increases or decreases occurred related to business-type activities expenses.

**Comparison of Expenses by Business-type Activities-Last Three Fiscal Years**



# Balance Sheet

The balance sheet shows the financial position of the County on the last day of the fiscal year. Restricted net position represents equity that may be used only as specified by debt covenants, grantors, laws or regulations, other governments, or other external restrictions. A comparison of fiscal years 2016, 2015, and 2014 is provided. Due to a change in accounting requirements beginning in fiscal year 2015, the County now reports a liability related to its proportionate share of the Florida Retirement System defined benefit pension plans; this resulted in a significant change in the unrestricted net position being reported for fiscal years 2016 and 2015 when compared to fiscal year 2014.

<b>Governmental Activities - Last Three Fiscal Years</b>			
	<b>2016</b>	<b>2015</b>	<b>2014</b>
(Amounts in Millions)			
<b>ASSETS</b>			
Cash and investments	\$ 330	\$ 324	\$ 313
Due from state/federal governments	22	17	16
Receivables and other current assets	12	16	15
Inventories and prepaid items	5	4	6
Net pension asset	3	2	-
Capital assets, net of depreciation	751	734	717
	<u>1,123</u>	<u>1,097</u>	<u>1,067</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>91</u>	<u>27</u>	<u>4</u>
<b>LIABILITIES</b>			
Accounts and contracts payable	16	15	13
Accrued interest payable	6	8	8
Other current liabilities	33	32	29
Notes and bonds, due within one year	4	18	16
Notes and bonds, due in more than one year	144	145	163
Net pension liability	219	123	-
Other long-term liabilities	52	51	48
	<u>474</u>	<u>392</u>	<u>277</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>10</u>	<u>31</u>	<u>-</u>
<b>NET POSITION (EQUITY)</b>			
Net investment in capital assets	611	587	556
Net position, restricted	145	137	146
Net position, unrestricted	(26)	(23)	92
	<u>\$ 730</u>	<u>\$ 701</u>	<u>\$ 794</u>

## Balance Sheet (cont.)

Business-type Activities - Last Three Fiscal Years			
	2016	2015	2014
(Amounts in Millions)			
<b>ASSETS</b>			
Cash and investments	\$ 61	\$ 54	\$ 58
Due from state/federal governments	9	13	10
Receivables and other current assets	6	3	6
Inventories and prepaid items	5	5	4
Capital assets, net of depreciation	232	236	229
	<u>313</u>	<u>311</u>	<u>307</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>3</u>	<u>1</u>	<u>1</u>
<b>LIABILITIES</b>			
Accounts and contracts payable	5	4	3
Other current liabilities	2	3	3
Notes and bonds, due within one year	2	5	5
Notes and bonds, due in more than one year	32	37	42
Net pension liability	7	5	-
Other long-term liabilities	27	26	26
	<u>75</u>	<u>80</u>	<u>79</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>1</u>	<u>1</u>	<u>-</u>
<b>NET POSITION (EQUITY)</b>			
Net investment in capital assets	199	194	181
Net position, restricted	7	10	7
Net position, unrestricted	34	27	41
	<u><u>\$ 240</u></u>	<u><u>\$ 231</u></u>	<u><u>\$ 229</u></u>



## Balance Sheet (cont.)

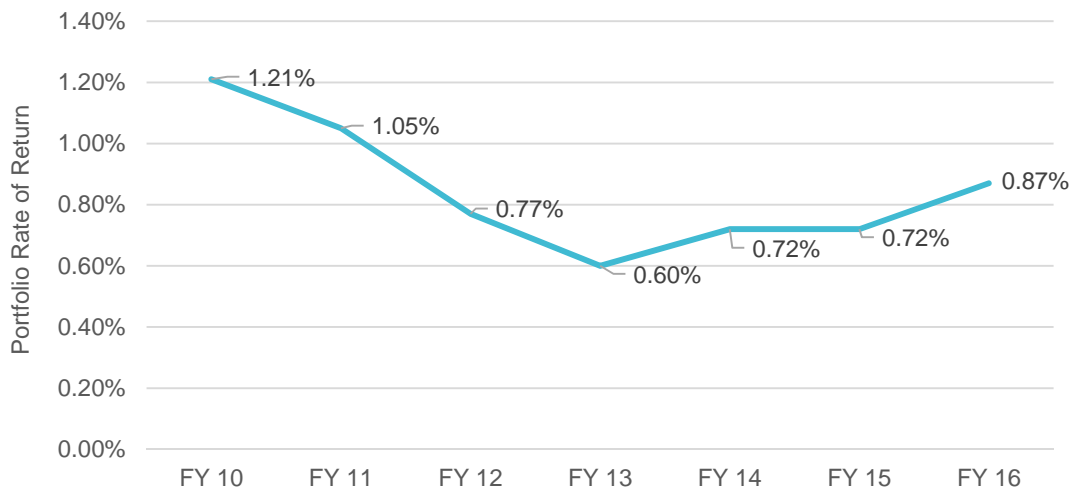
County Total - Last Three Fiscal Years			
	2016	2015	2014
(Amounts in Millions)			
<b>ASSETS</b>			
Cash and investments	\$ 391	\$ 378	\$ 371
Due from state/federal governments	31	30	26
Receivables and other current assets	18	19	21
Inventories and prepaid items	10	9	10
Net pension asset	3	2	-
Capital assets, net of depreciation	983	970	946
	<u>1,436</u>	<u>1,408</u>	<u>1,374</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>94</u>	<u>28</u>	<u>5</u>
<b>LIABILITIES</b>			
Accounts and contracts payable	21	19	16
Accrued interest payable	6	8	8
Other current liabilities	35	35	32
Notes and bonds, due within one year	6	23	21
Notes and bonds, due in more than one year	176	182	205
Net pension liability	226	128	-
Other long-term liabilities	79	77	74
	<u>549</u>	<u>472</u>	<u>356</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>11</u>	<u>32</u>	<u>-</u>
<b>NET POSITION (EQUITY)</b>			
Net investment in capital assets	810	781	737
Net position, restricted	152	147	153
Net position, unrestricted	8	4	133
	<u>\$ 970</u>	<u>\$ 932</u>	<u>\$ 1,023</u>

## Cash and Investments

The County's investment policy, established by county ordinance, provides investment guidelines for the County. This policy applies to all financial assets held or controlled by the County, with the exception of certain pension, trust, or debt related funds which are controlled by other ordinances or policies. The primary objectives of investment activities, in priority order, are: safety, liquidity, and yield. Safety of principal is the foremost objective of the investment program. Investments are undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The investment portfolio remains sufficiently liquid to meet all operating requirements that are reasonably anticipated. The portfolio is designed with the objectives of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. As a result, the core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. For safety and flexibility, the County maintains a short overall weighted average maturity on its cash and investments.

In December 2015, for the first time in seven years, the Federal Reserve's Federal Open Market Committee (FOMC) raised interest rates from 0.00 percent to 0.25 percent target range to 0.25 percent to 0.50 percent target range for the federal funds rate. In this slightly higher interest rate environment, the County's average annual rate of return correspondingly increased slightly from 0.72 percent for fiscal year 2015 to 0.87 percent for 2016.

The chart below shows the County's rate of return on investments (excluding the Volunteer Firefighters pension plan) over the last seven years.



## Long-Term Debt

The County issues debt only for the purposes of constructing or acquiring capital improvements or for making major renovations to existing capital assets. Financing in the form of long-term notes for the acquisition of major equipment is also allowed provided there is cost justification to do so. All capital improvements financed through the issuance of debt are financed for a period not to exceed the useful life of the improvements, but in no event exceed thirty years. Revenue sources are only pledged for debt when legally available. In those situations where the revenue sources have previously been used for general operating expenditures, they are only pledged for debt when other sufficient revenue sources are available to replace them.

Most bond issues are assigned a rating by firms such as Fitch Ratings, Moody's Investors Service, and Standard & Poor's. The rating is an extremely important factor in determining an issue's marketability and the interest rate a local government will pay: the better the rating, the lower the interest rate. The rating agencies consider the County's bonds to be of upper medium to high grade quality confirming the government's strong financial commitment, which in turn, equates to low credit risk.

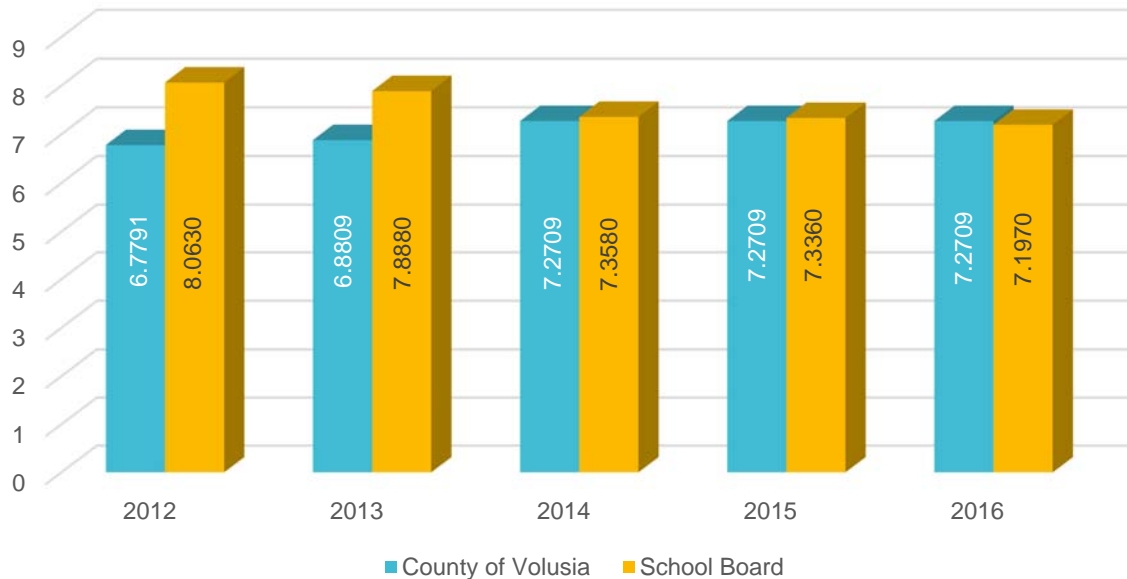
Overall, the County's outstanding debt, before issuance premiums, decreased by \$24,312,314 (11.8 percent), during fiscal year 2016. The key factor in this decrease was required principal retirements in the amount of \$40,312,314 which were offset by \$16 million in new debt issuances.

A comparison of the amount of long-term debt owed at the end of fiscal year 2016 to the same time period in 2015 and 2014 is presented below.

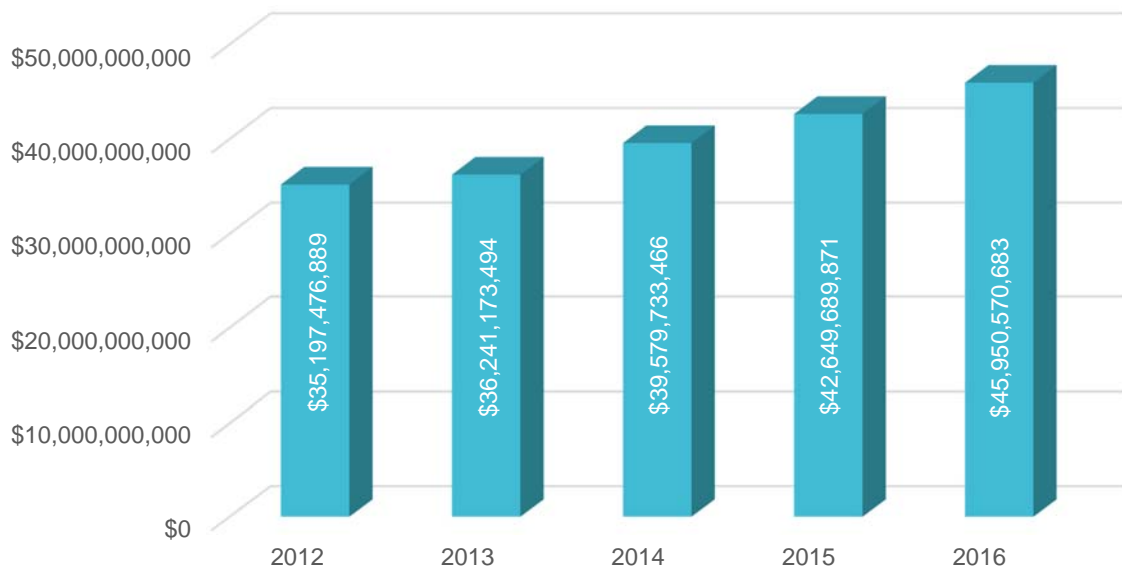
	<b>Fiscal Year 2016</b>	<b>Fiscal Year 2015</b>	<b>Fiscal Year 2014</b>
(Amounts in Millions)			
Bonds payable:			
Revenue bonds	\$ 123	\$ 152	\$ 167
General obligation bonds	15	21	23
Notes payable	<u>43</u>	<u>32</u>	<u>36</u>
Total bonds and notes	<u><b>\$ 181</b></u>	<u><b>\$ 205</b></u>	<u><b>\$ 226</b></u>
Debt burden per capita	<b>\$ 350</b>	<b>\$ 402</b>	<b>\$ 449</b>

# County-wide Property Taxes and Assessed Value

**Property Tax Millage Rates for the County of Volusia and School Board  
Last Five Fiscal Years**



**Total Assessed Value of Taxable Property**



## Principal Property Taxpayers

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2015 Taxable Value</u>	<u>Percent of Total Taxable Value</u>
Florida Power and Light Co.	Electric Utility	\$ 1,033,054,685	3.17
Duke Energy Florida, Inc.	Electric Utility	247,458,131	0.76
BellSouth Telecommunication, LLC	Telephone	91,419,754	0.28
Wal-Mart Stores, Inc.	Retail	84,384,941	0.26
Bright House Networks, LLC	Entertainment/Cablevision	79,572,316	0.24
Starwood Capital Group	Investments	78,635,310	0.24
Publix Super Markets, Inc.	Retail Sales/Grocery	74,832,826	0.23
Ocean Walk II	Timeshare Sales	58,750,005	0.18
Covidien	Manufacturing	52,428,359	0.16
Volusia Mall LLC	Retail Sales/Mall	50,890,143	0.16
<b>Subtotal Principal Taxpayers</b>		<b>1,851,426,470</b>	<b>5.68</b>
All Other Taxpayers		30,719,218,126	94.32
<b>Total</b>		<b>\$ 32,570,644,596</b>	<b>100.00</b>

## Property Tax Collected in Fiscal Year Last Five Fiscal Years

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Collected to End of Tax Year</u>		<u>Delinquent Collections</u>	<u>Collected in Fiscal Year</u>	
		<u>Current Tax Collections</u>	<u>Percent of Levy</u>		<u>Total Collections</u>	<u>Percent of Levy</u>
2016	\$ 240,585,734	\$ 232,118,353	96.48	\$ 812,002	\$ 232,930,355	96.82
2015	225,739,467	217,859,761	96.51	855,843	218,715,604	96.89
2014	214,332,368	206,532,680	96.36	888,042	207,420,722	96.78
2013	199,475,643	191,947,692	96.23	968,827	192,916,519	96.71
2012	200,117,280	192,563,133	96.23	366,868	192,930,001	96.41

# Demographics

## Comparison of Population and Per Capita Income Last Five Fiscal Years



## Ten Largest Employers in Fiscal Year 2016

Employer	Number of Employees	Percent of Total Employment
Volusia County School Board	7,443	3.15
Florida Hospital - All Divisions	4,690	1.99
Halifax Health	4,384	1.86
County of Volusia	3,447	1.46
Publix Supermarkets Incorporated	3,179	1.35
Walmart Stores Incorporated	2,589	1.10
State of Florida	2,007	0.85
Daytona State College	1,416	0.60
Embry-Riddle Aeronautical University	1,326	0.56
U.S. Government	1,259	0.53
<b>Total</b>	<b>31,740</b>	<b>13.45</b>
Estimated total workforce	236,195	



## Interesting Facts

Did you know that Volusia County.....

- offers 54 parks that total 11,822 acres that include 273 miles of bike paths and sidewalks, multi-use trails, camping, bird observation towers, fishing, fresh and saltwater boating, historic and archaeological sites, and sports and recreation centers
- has 47 miles of beaches on the Atlantic Ocean, including one of the few places you are able to drive on the beach
- includes Blue Springs and DeLeon Springs state parks that have swimming and recreation in and around the fresh water springs
- is home to the world-famous Daytona 500 NASCAR race and headquarters of the Ladies Professional Golf Association (LPGA)
- has a Marine Science Center that includes rehabilitation services for sea turtles and birds along with offering tours and educational opportunities for all ages
- has the Lyonia Environmental Center that provides a unique insight into the County's fragile ecosystems with interactive displays where visitors can learn about the importance of the environment, energy conservation, and natural resources
- owns and operates the Daytona Beach International Airport which had 3,173 scheduled flights last year, with over 689,000 passengers arriving and departing the airport
- owns and operates the Ocean Center located in Daytona Beach, 400 feet from the Atlantic Ocean, which includes 164,000 square feet of interior exhibit space and a 9,600 seat, 42,000 square foot arena, hosting 104 events with over 258,000 attendees per year
- has a library system that provided over 4.0 million circulation materials to members of the public and in addition, 2.9 million users took advantage of the electronic resources available
- offers enrollment in its Citizens Academy designed to educate and inform citizens about County government functions
- provides information on the County via numerous electronic means such as its website; Volusia Magazine, a weekly television program; public information radio program; live audio of County Council meetings; and live beach cams
- provides an email notification service created to disperse updates from the county manager's office, emergency management, Ocean Center, parks and recreation, building permit center, University of Florida/Volusia County Extension, revenue services and the sheriff's office



