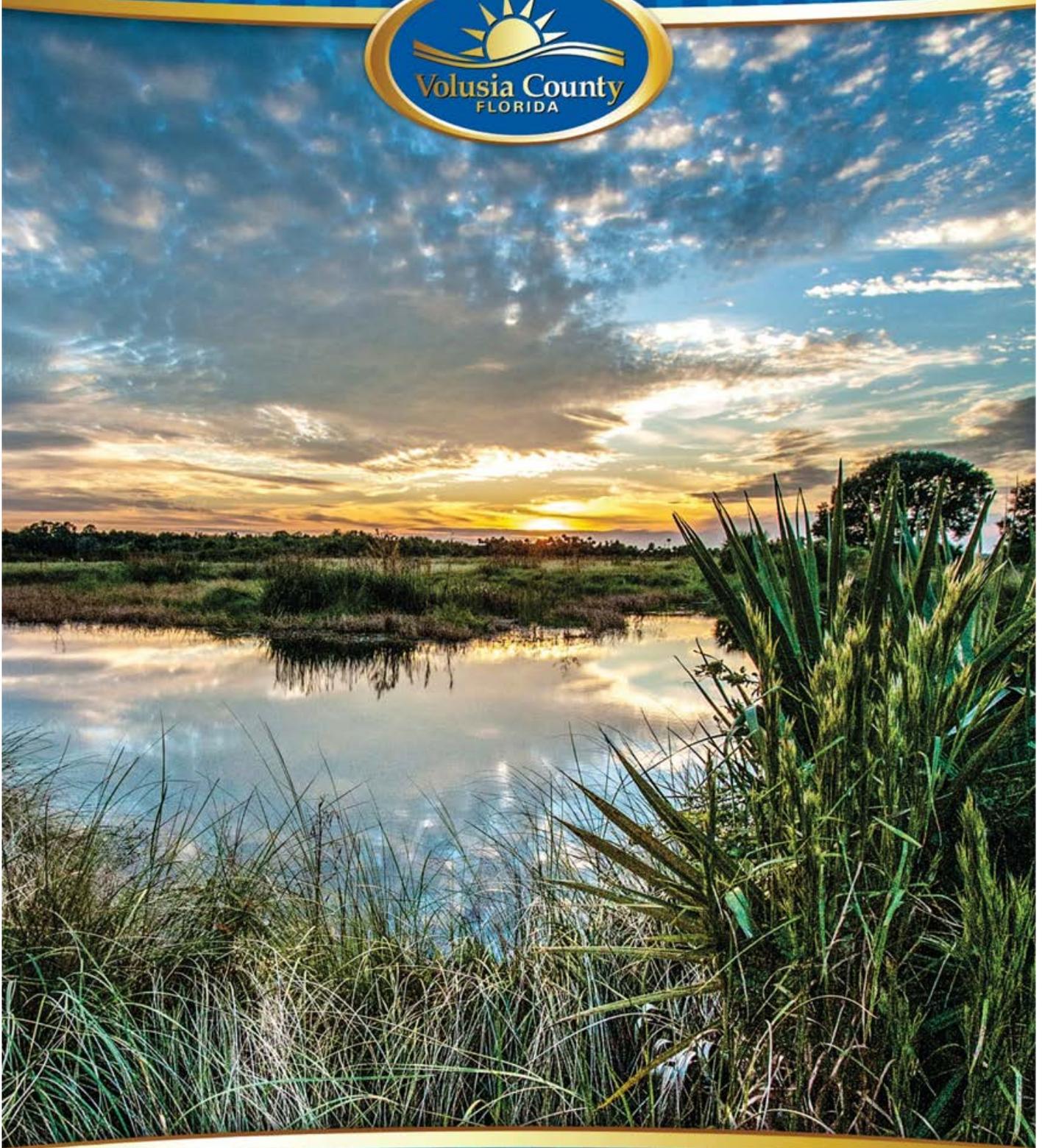


COUNTY OF VOLUSIA, FLORIDA



POPULAR ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

# 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, CGFO, Assistant Accounting Director  
 Myriam Lemay, CTP, Activity Project Manager  
 Jennifer Madewell, CGFO, Fiscal Resource Manager  
 Terri Ruegger, CGFO, Fiscal Resource Manager

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Additional Acknowledgements:  
 Rhonda Orr, CGFO, Department Director of Business Services  
 Tammy Bong, Department Director of Budget and Administrative Services  
 Roger Wittenberg, Special Projects Coordinator, Finance  
 Wanda Lindberg, Fiscal Resource Manager, Revenue  
 Robert Ehrhardt, Division Director, Economic Development

# TABLE OF CONTENTS

Letter of Transmittal.....	3
Certificate of Achievement.....	4
The County and its Organization .....	5
Principal County Officials.....	6
Volusia County Organizational Chart.....	7
Economic Condition of the County.....	8
Annual Budget.....	10
Revenues .....	11
Expenses.....	15
Balance Sheet .....	19
Cash and Investments.....	22
Long-Term Debt .....	23
County-wide Property Taxes and Assessed Value .....	24
Demographics .....	26
Interesting Facts.....	27



March 22, 2019

It is a pleasure to present the tenth issue of the *County of Volusia, Florida, Popular Annual Financial Report for the fiscal year ended September 30, 2018*. 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, 2018*. The CAFR consists of over 280 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,

A handwritten signature in cursive script that reads "Donna de Peyster".

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, 2017**

*Christopher P. Morill*

Executive Director/CEO

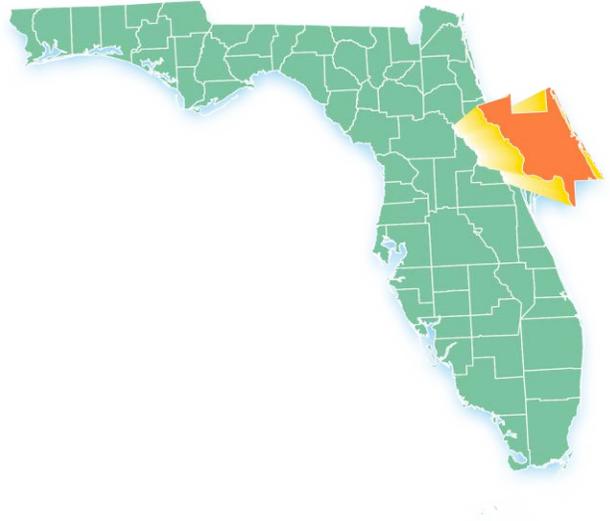
The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the County of Volusia, Florida for its Popular Annual Financial Report for the fiscal year ended September 30, 2017. The Award for 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. Council members at fiscal year-end were:

Ed Kelley, County Chair

Deborah Denys  
Joyce M. Cusack  
Pat Patterson  
Billie Wheeler  
Heather Post  
Dr. Fred Lowry

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

## ELECTED OFFICIALS

Elected officials responsible for specifically designated functions of County government at year-end were:

Michael J. Chitwood  
Lisa Lewis  
Larry Bartlett, J.D.

Sheriff  
Supervisor of Elections  
Property Appraiser

## APPOINTED OFFICIALS

The council appoints the County Manager and the County Attorney.

George Recktenwald  
Daniel Eckert

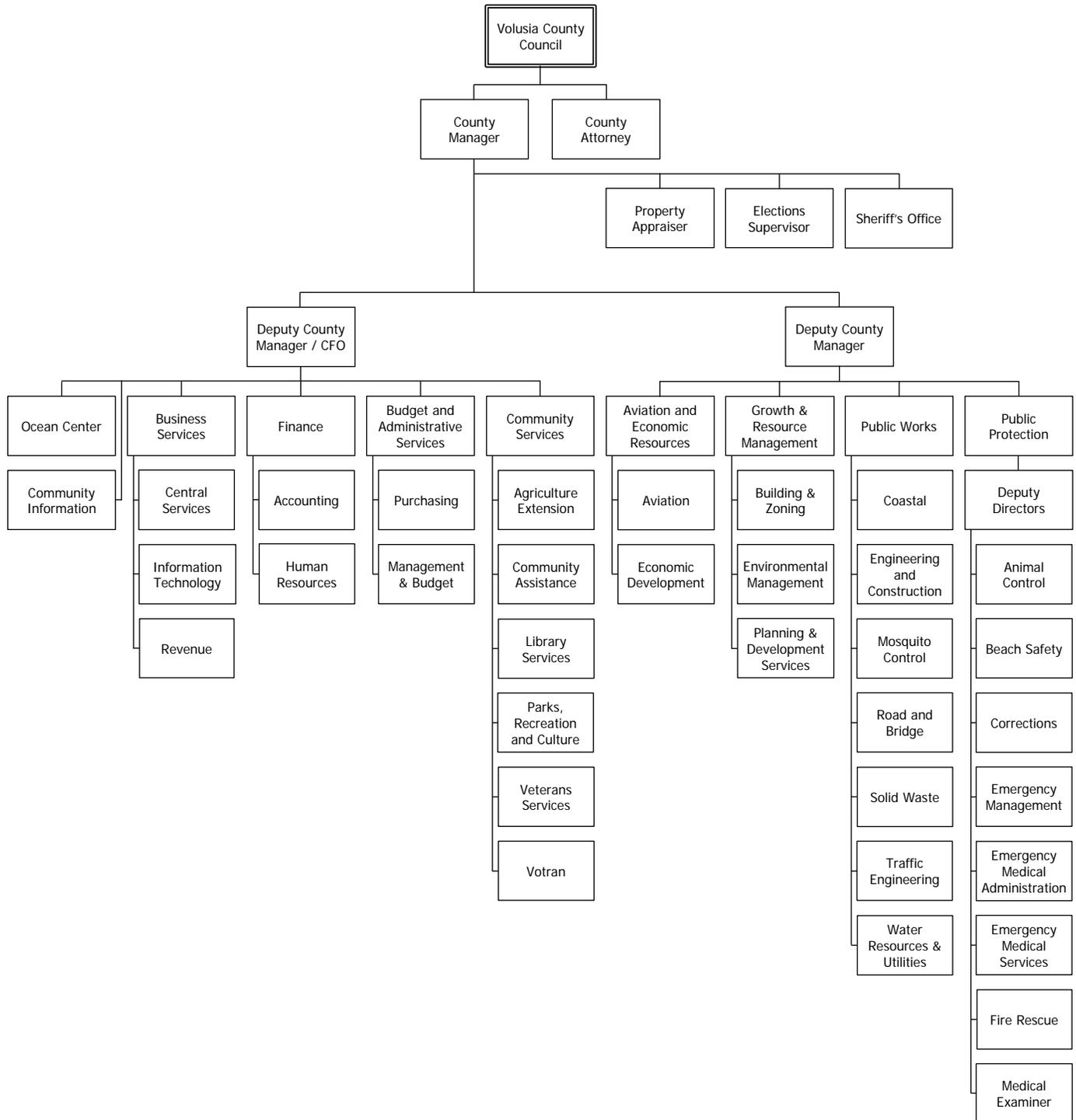
Interim County Manager  
County Attorney

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

Employment in the County continued to improve in fiscal year 2018. The number of unemployed residents decreased to 8,121 for November 2018 compared to 10,091 for November 2017, while the number employed over the same period increased by almost 3,900 to 244,859. The unemployment rate stood at 3.2 percent for November 2018, down from 4.0 percent one year prior.

Residential new construction permit activity increased 36 percent over fiscal year 2017, totaling \$780,591,774. New construction permit activity is approximately half of the average for the boom building years of 2004, 2005, and 2006, but is viewed as a more sustainable level of growth by the Volusia Building Industry Association. Commercial new construction permits increased in number as compared to the prior fiscal year, but the permit value of \$327,744,874 was less than the prior fiscal year total of \$434,574,784.

Countywide, hotel/motel average daily rates for November 2018 decreased 4.2 percent year-over-year to \$104.95, and hotel/motel revenue per available room decreased 13.1 percent over the same period to \$57.06.

## Local Development Projects

ONE DAYTONA is the Daytona Beach area's newest lifestyle and entertainment destination across from Daytona International Speedway offering 300,000 square feet of retail, dining, and entertainment. In 2019, the project expects to open the DAYTONA, a 145-room Marriott Autograph Collection boutique hotel, as well as beginning construction of a new luxury apartment rental community. The Tomoka Town Center is being developed in Daytona Beach by the North American Development Group as a 400,000 square foot power lifestyle center featuring larger junior box-size stores, with an estimated investment over \$100 million. North American is also a partner with Eastwind Development Group in developing the \$39 million 276-unit Tomoka Pointe luxury apartment complex under construction next to the Tomoka Town Center. The City of DeLand and the City of Lake Helen reached an agreement to support development of the \$130 million I-4 Auto Mall LLC project.

Halifax Health is nearing completion of a \$105 million hospital in Deltona at the Interstate 4 and State Road 472 interchange and adjacent to the previously completed emergency room. AdventHealth, formerly known as Florida Hospital, began a \$100 million, four-story addition at Fish Memorial, a 175-bed facility in Orange City, and the firm is preparing to construct a \$12 million, 12-bed freestanding emergency room facility in Deltona.

Florida Power & Light Company began construction of the \$100 million Pioneer Trail Solar Energy Center. The 74.5 megawatt solar farm located just south of SR-44 and west of SR-415 created approximately 200 construction jobs, and is expected to generate enough energy to power over 14,000 homes when operational in early 2019. Duke Energy has announced a plan to construct a similarly sized facility on company owned land in DeBary.

The County Council approved a 20 percent match of performance-based incentives for two companies: B. Braun Medical and Mystic Power Boats. The B. Braun project is a proposed second manufacturing facility that could be built on recently acquired property in Daytona Beach. If that location is selected, the firm would invest another \$100 million in Volusia County bringing their total investment to more than \$240 million. Mystic Power Boats' expansion of its manufacturing plant in DeLand is projected to add 70 new jobs, at 115% of the area average annual wage. The larger plant and expanded production lines are expected to account for new capital investment of approximately \$5 million.

Security First Insurance began construction of its new \$30 million; 4-story headquarters building in Ormond Beach and Brown & Brown Insurance completed remediation work at the site of its new \$35 million headquarter facility in Daytona Beach, with plans to begin construction in early 2019. New hotel projects are also under construction or being considered in the County, including new beachside projects in Daytona Beach and New Smyrna Beach.

### **Housing Development Projects**

The Latitude Margaritaville development of over 6,000 homes in Daytona Beach has been recognized as the most popular 55-and-older community in the U.S. – it was also ranked 34 on a list of the nation’s top 50 Master-Planned communities of 2018 based on net sales. ICI Homes has begun construction of new homes in the 1,200-home Mosaic community in Daytona Beach and in the 1,200-home Woodhaven community in Port Orange.

Geosam Capital has developed several new home communities in New Smyrna Beach. Victoria Park housing development in DeLand continues its planned growth. Integra 289 Exchange is planning a 289-unit multi-family apartment complex near the County’s SunRail station in DeBary, with plans for future retail, restaurants, and additional residential units.

### **Higher Education Expansion**

Embry Riddle Aeronautical University (ERAU) opened the wind tunnel facility in the John Mica Engineering and Aerospace Innovation Complex, located next to the Daytona Beach International Airport (DBIA), and planning is underway to build new research-oriented aircraft hangers adjacent to the ‘thru the fence’ capability of Taxiway Sierra which provides direct access for the research park to the DBIA airfield. ERAU also opened the \$75 million Mori Hosseini Student Center on their Daytona Beach campus, and Daytona State College is nearing completion of its new 84,000 square-foot \$39 million student and workforce transition center on their Daytona Beach campus. In DeLand, Stetson University has completed the new \$7 million Marshall and Vera Rinker Welcome Center, and a \$32 million, 30,000 square foot renovation and expansion of the Carlton Union Building. Stetson also received an endowment of \$18 million for the construction of a new Science & Health Education building.

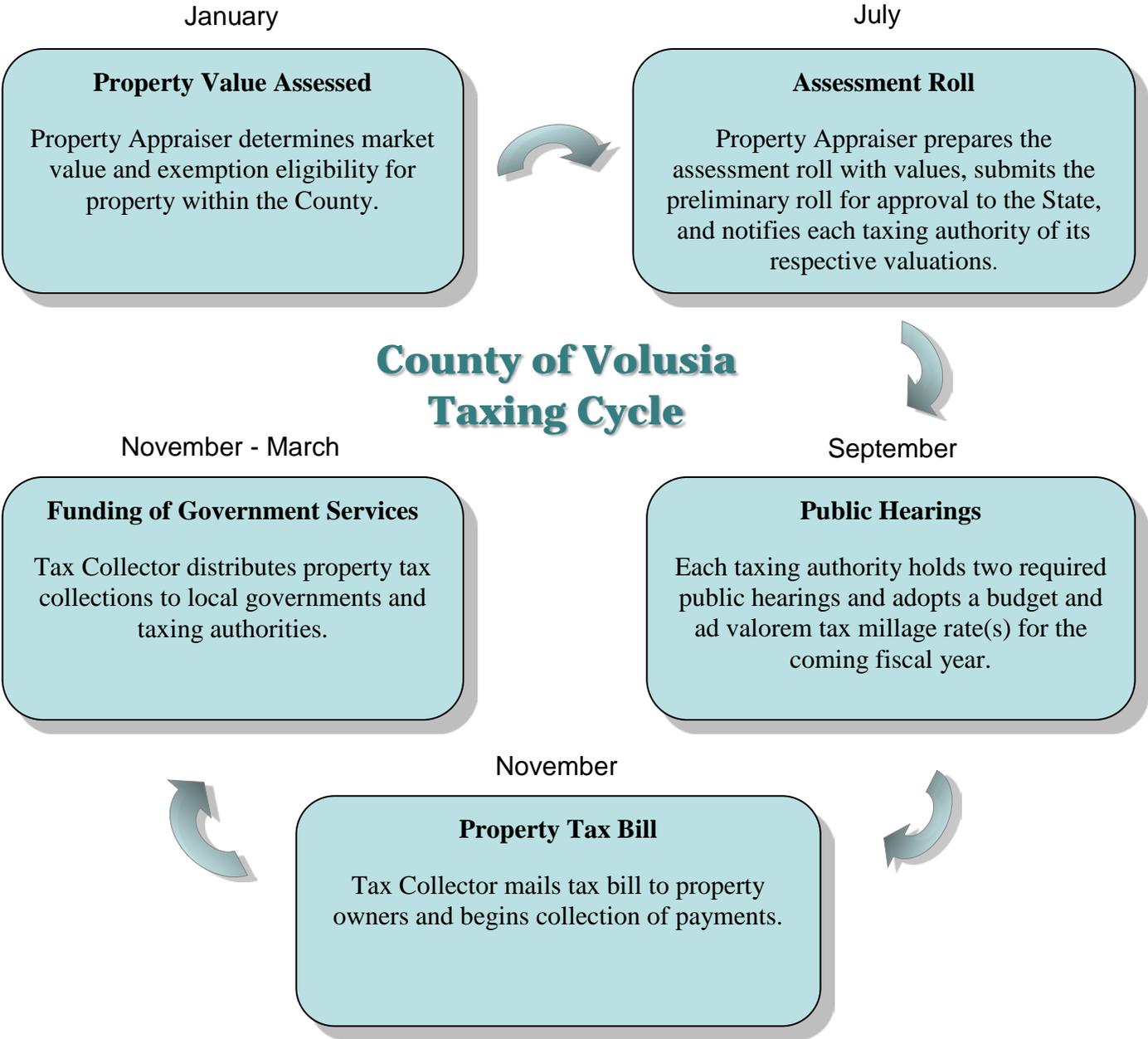
### **Transportation Programs and Initiatives**

Passenger traffic at Daytona Beach International Airport (DBIA) through November 2018 has increased five percent over 2017. Passenger traffic is also at its highest point in 21 years and an increase of 79 percent compared to 2009. Airline capacity or available seats, and passenger traffic increased for all three airlines compared to 2017. In 2018, the airport successfully recruited three new routes scheduled to commence service in 2019. Sunwing Airlines will offer international non-stop service to Toronto beginning January 28. Silver Airways will start daily non-stop service to Fort Lauderdale on January 16 and American Airlines will offer service to New York’s LaGuardia airport starting May 2019.

Major interstate transportation construction improvements in the County includes \$205 million in improvements to the Interstate 4 (I-4) - Interstate 95 (I-95) interchange and the Interstate 95 - US 92 interchange. The project is scheduled to open in the late spring of 2019 and will join the widening of I-4 and I-95 resulting in over \$400 million in transportation infrastructure investment covering 55 miles of interstate roadway. Construction continues on the new high-level, multi-arch, \$38 million Veterans Memorial Bridge over the Halifax River in Daytona Beach. In response to new growth and planned development, segments of both Williamson Blvd. and LPGA Blvd. arterial corridors are being evaluated and planned for future capacity improvements.

# Annual Budget

The County must prepare an annual budget authorizing the spending of public funds and Florida law requires the County have a balanced budget. 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. The budget can only be amended with approval of the County Council.



# Revenues

## Comparison of Revenues Between Fiscal Years 2018, 2017 and 2016

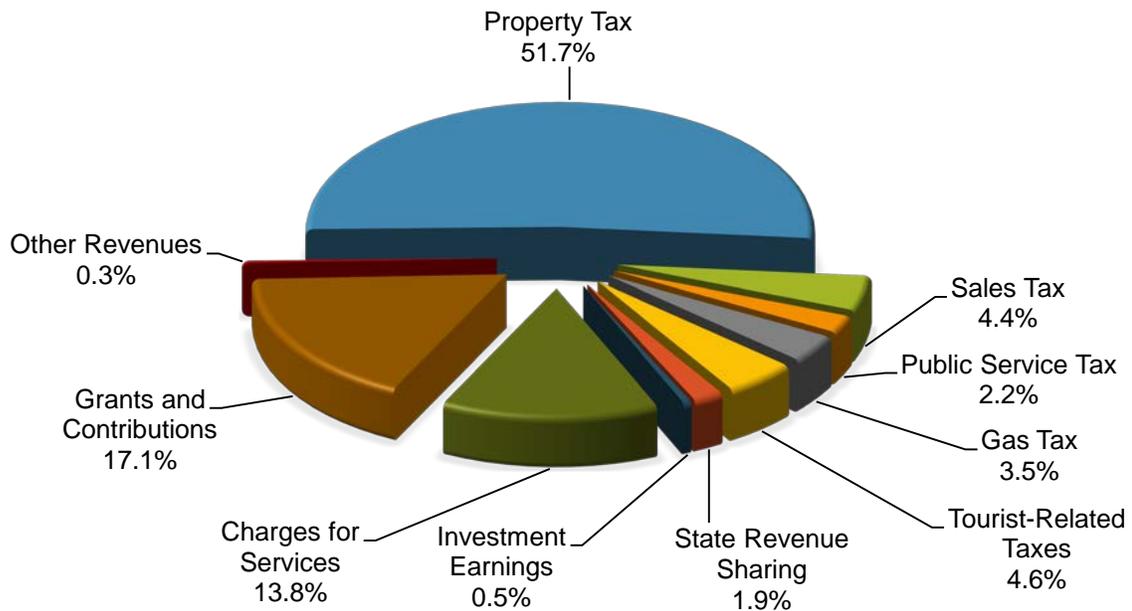
	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016
(Amounts in Millions)			
<b>Governmental activities:</b>			
Property taxes	\$ 260	\$ 242	\$ 233
Sales tax	22	21	20
Public service tax	11	11	11
Gas tax	18	17	16
Tourist-related taxes	23	22	21
State revenue sharing	10	9	9
Investment earnings	2	1	2
Charges for services	69	67	64
Grants and contributions	86	73	49
Other revenues	1	4	4
Total governmental activities	<u>502</u>	<u>467</u>	<u>429</u>
<b>Business-type activities:</b>			
Refuse disposal	19	18	16
Daytona Beach International Airport	26	24	20
Volusia Transportation Authority	18	17	15
Water and sewer utilities	18	23	19
Parking garage	2	2	3
Garbage collection	10	9	8
Total business-type activities	<u>93</u>	<u>93</u>	<u>81</u>
<b>Primary government total</b>	<b><u>\$ 595</u></b>	<b><u>\$ 560</u></b>	<b><u>\$ 510</u></b>

# 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.

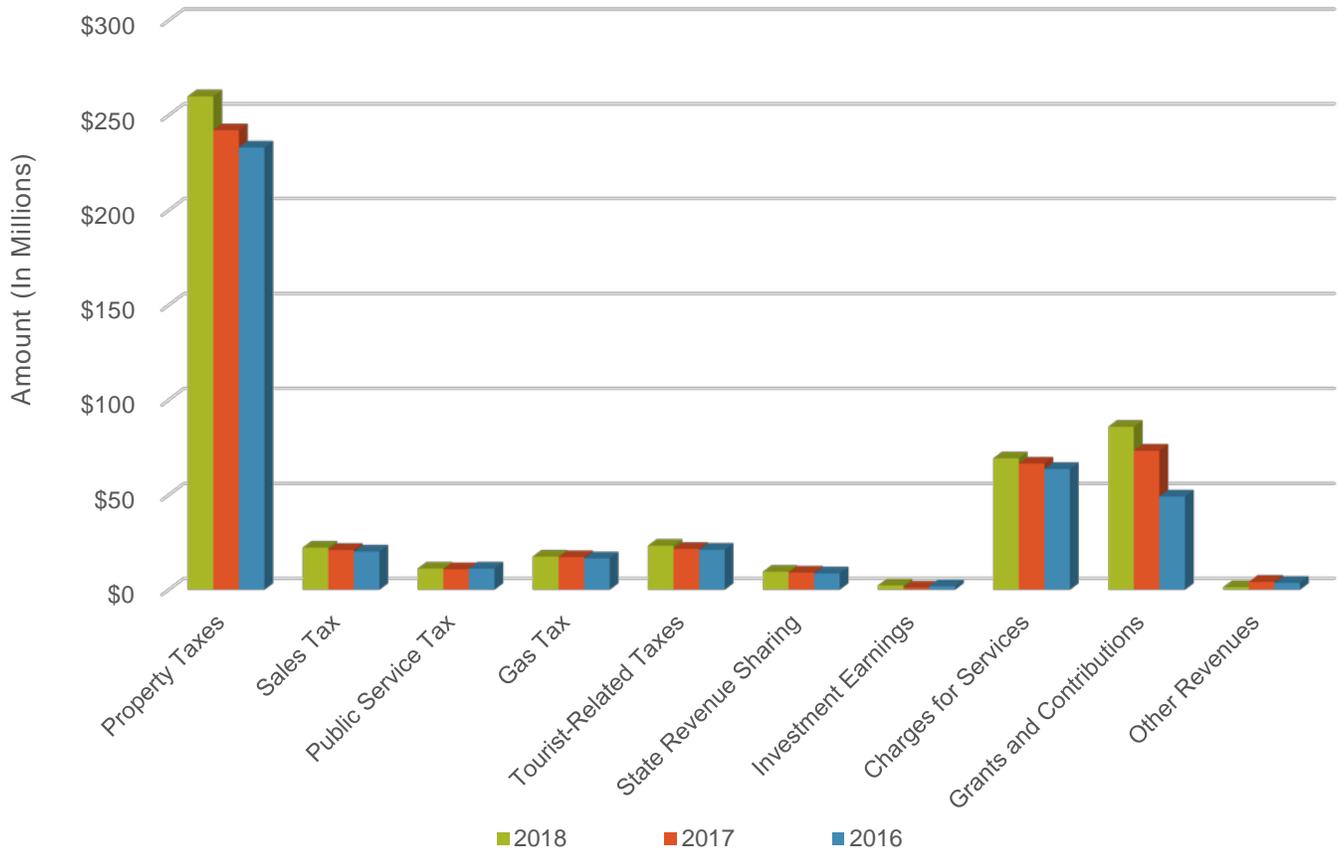
Compared with the prior fiscal year, revenues for the governmental activities increased by \$35,472,602 (7.6 percent). Increases in property tax revenue (approximately \$17.9 million) and capital grants and contributions (approximately \$16.5 million) were the primary reasons for the increase in revenues.

## 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 (DBIA), Volusia Transportation Authority (VOTRAN), water and sewer utilities, parking garage (beach side), and garbage collection funds.

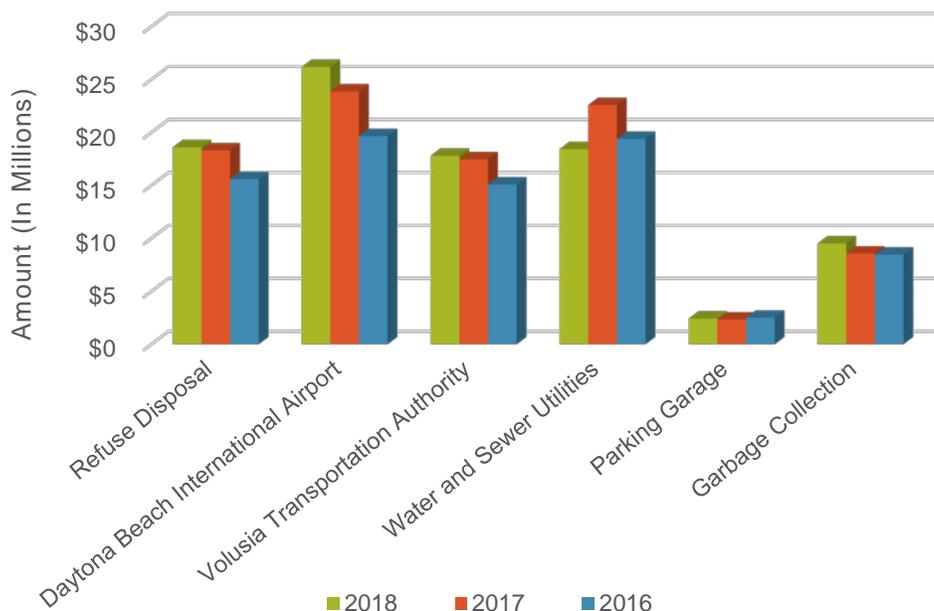
Revenues for the County’s business-type activities decreased by \$170,410 (0.2 percent), when compared to the prior fiscal year. This minimal decrease was due to a decrease in capital grants and contributions of approximately \$2.6 million, which was offset primarily by increases of \$1.1 million in operating grants and contributions and \$1.1 million in charges for services.

The decrease in capital grants and contributions was due primarily to the completion of the Southwest Regional Water Reclamation Facility expansion early during the fiscal year, which resulted in a decrease of \$4.5 million in capital grants. This decrease was offset by an increase in contributions of water/sewer improvements from developers of approximately \$0.8 million. This decrease was further offset by an increase in VOTRAN capital grants of approximately \$1.2 million because five full-size and nine paratransit buses were purchased in fiscal year 2018 compared to only four full-size and five paratransit buses in the prior fiscal year.

The increase in operating grants and contributions was primarily in the DBIA activity. The County passed an ordinance, effective October 1, 2017, which allows for the collection of fees from rental car customers for rental facility improvements, of which \$860,018 was collected during the fiscal year. A small net increase in federal and state grants of the DBIA, VOTRAN, and the water/sewer activities composed the remaining balance of the increase in operating grants and contributions.

The increase in charges for services was reported primarily in the garbage collection fund, totaling \$890,027. The non-ad valorem assessment for garbage collection was raised from \$190 per residential unit in the prior year to \$210 per residential unit in the current year, and resulted in the increase in charges for services revenues of the activity.

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



# Expenses

## Comparison of Expenses Between Fiscal Years 2018, 2017 and 2016

(Amounts in Millions)	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016</u>
<b>Governmental activities:</b>			
General government	\$ 66	\$ 64	\$ 60
Public safety	193	191	180
Physical environment	7	7	7
Transportation	38	37	34
Economic environment	41	54	35
Human services	21	21	19
Culture/recreation	59	55	52
Interest on long-term debt	4	5	6
<b>Total governmental activities</b>	<u>429</u>	<u>434</u>	<u>393</u>
<b>Business-type activities:</b>			
Refuse disposal	14	15	13
Daytona Beach International Airport	19	19	17
Volusia Transportation Authority	29	27	26
Water and sewer utilities	14	14	13
Parking garage	2	2	2
Garbage collection	10	9	8
<b>Total business-type activities</b>	<u>88</u>	<u>86</u>	<u>79</u>
<b>Primary government total</b>	<u><u>\$ 517</u></u>	<u><u>\$ 520</u></u>	<u><u>\$ 472</u></u>

# Expenses – Governmental Activities

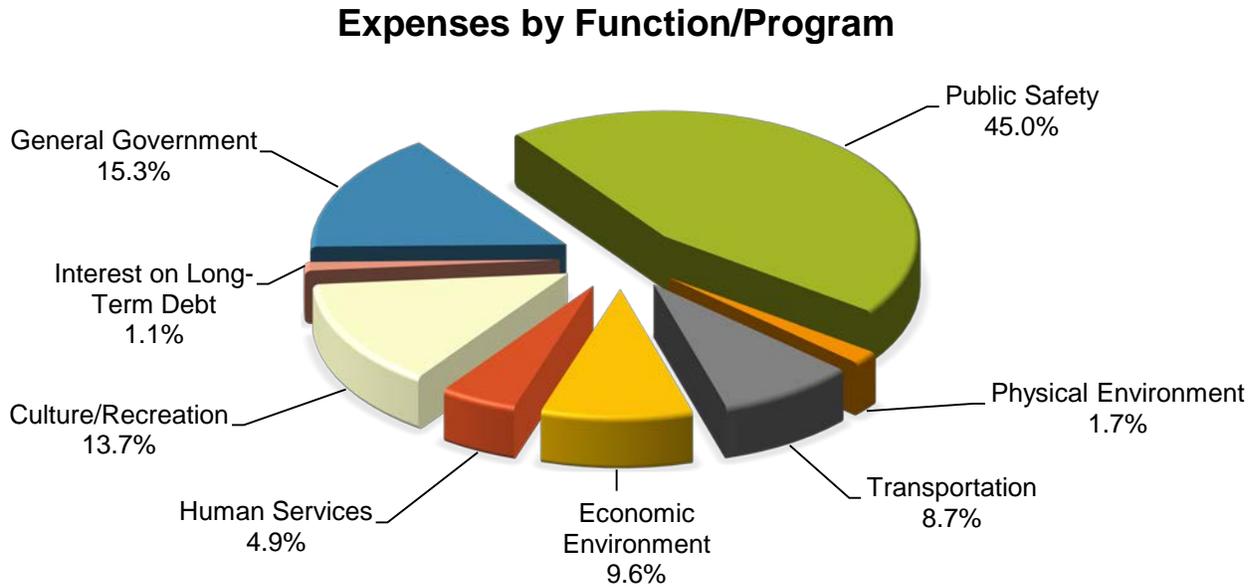
**Governmental Activities** expenses are grouped and reported by functional area. These functional areas include:

- **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.

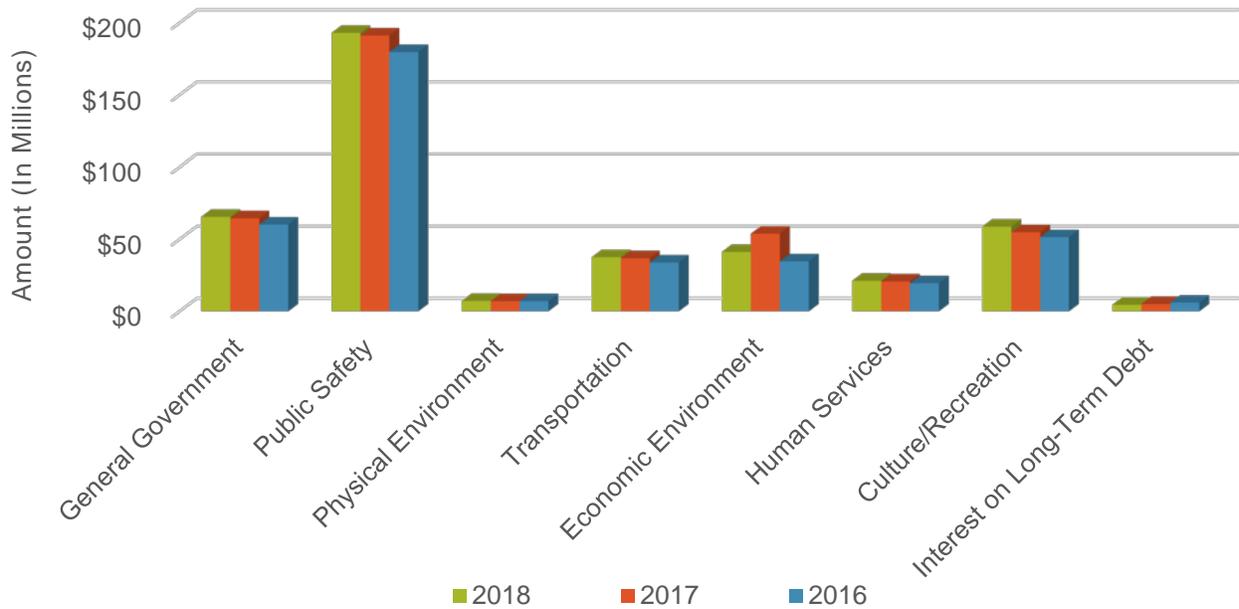
The cost of all governmental activities for fiscal year 2018 decreased by \$5,081,144 (1.2 percent) when compared to the prior year. The decrease from prior year was offset by increases of approximately \$4.1 million spread across all activities related to pay adjustments of 3.0 percent. Including the pay adjustments, the remaining change in governmental activities expense was a decrease of approximately \$9.2 million versus the prior year. The \$9.2 million variance was a result of the following:

- \$12.6 million decrease reported in the economic environment activity, primarily due to the following changes from the prior year:
  - Decreased expenses for economic development incentives of \$9.9 million
  - Decreased expenses of \$3.3 million when comparing the 2018 recovery from Hurricane Irma to the 2017 recovery from Hurricane Matthew
  - Decreased expenses of the County's tourism advertising authorities totaling \$1.7 million
  - Decreased expenses related to federal grants other than hurricane recovery totaling \$1.2 million
  - Offsetting increases in expenses of \$3.7 million for homeless initiatives
- \$0.5 million decrease in interest on long-term general debt, due to decreasing principal balances of the County's long-term general debt.
- The decreases were offset by a \$3.6 million increase reported in the culture and recreation activity, primarily due to the following items:
  - Increased costs for beach access and maintenance contracts that total \$2.4 million. The increased expenses were due to additional staffing required to open additional beach vehicular access points as well as a related increase in beach maintenance costs
  - Increased ECHO grant distributions compared to the prior year of \$1.2 million

# Expenses – Governmental Activities



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



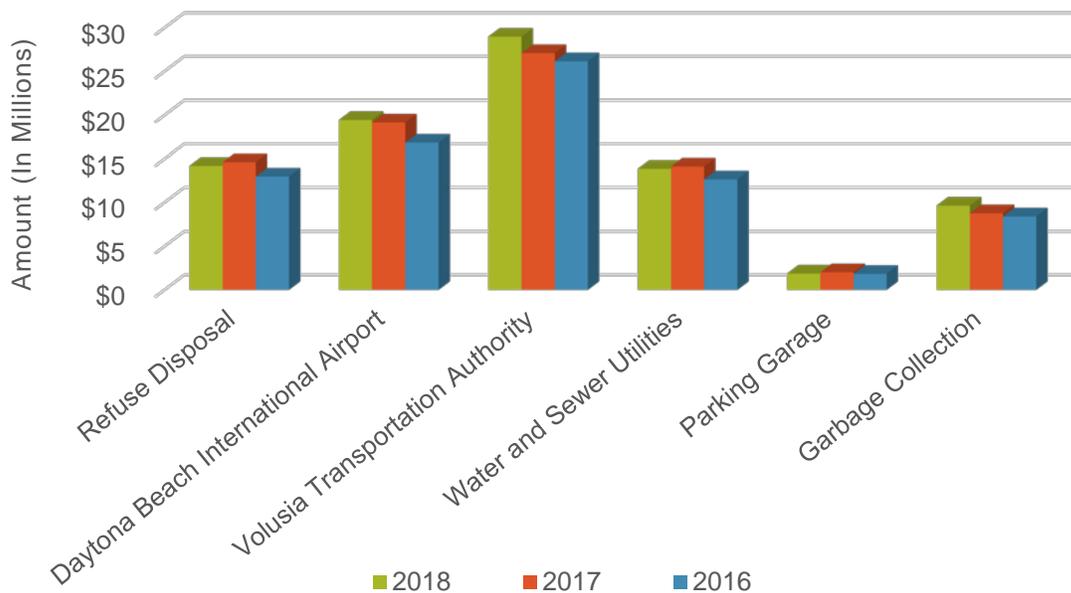
## Expenses – Business-Type Activities

**Business-type Activities** expenses increased by \$2,228,957 (2.6 percent), when compared to the prior fiscal year. Garbage collection expenses increased by approximately \$0.9 million from the prior fiscal year. This was due to a combination of an increased number of customers serviced and an increase in contractual charges for collection services. The contracted waste hauler charge increased from \$14.38 per customer, per month in fiscal year 2017 to \$16.00 per customer, per month in fiscal year 2018.

Daytona Beach International Airport (DBIA) experienced an approximate \$0.3 million increase in expenses when compared to the prior fiscal year. Increased maintenance and repair costs for replacement of the terminal air handlers, roof replacement, emergency generators, and parking lot improvements accounted for approximately \$0.6 million of the increase in expenses. An additional \$0.7 million of increased expenses were incurred for contracted professional services to update the airport master plan. These cost increases were offset by decreases of \$1.0 million for hangar construction architectural and design services versus the prior year. Expenses for Volusia Transportation Authority (VOTRAN) increased by approximately \$1.9 million when compared to the prior fiscal year. Approximate increases in personnel costs of \$1.0 million, fuel costs of \$0.6 million and maintenance supplies \$0.3 million accounted for the increase in VOTRAN expenses. These increases in costs were the result of an additional service route added during the fiscal year as well as personnel wage adjustments.

Refuse disposal expenses decreased by approximately \$0.4 million when compared to the prior fiscal year. The change in expense resulted from decreased landfill closure costs (approximately \$1.2 million), offset by increases of approximately \$0.8 million in contractual charges for yard waste processing and leachate hauling and disposal. Water and sewer utilities experienced an approximate \$0.3 million decrease in expenses. This was due to the completion of several large repairs and studies in the prior year related to nutrient reduction and alternative water sources, with less spent in the current year on these items.

**Comparison of Expenses by Business-type Activity-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 2018, 2017, and 2016 is provided.

<b>Governmental Activities – Last Three Fiscal Years</b>			
	<u>2018</u>	<u>2017</u>	<u>2016</u>
(Amounts in Millions)			
<b>ASSETS</b>			
Cash and investments	\$ 371	\$ 338	\$ 330
Due from state/federal governments	42	40	22
Receivables and other current assets	13	14	12
Inventories and prepaid items	4	5	5
Net pension asset	3	3	3
Capital assets, net of depreciation	803	767	751
Total assets	<u>1,236</u>	<u>1,167</u>	<u>1,123</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>103</u>	<u>111</u>	<u>91</u>
<b>LIABILITIES</b>			
Accounts and contracts payable	25	24	16
Accrued interest payable	5	6	6
Other current liabilities	21	18	33
Notes and bonds, due within one year	4	3	4
Notes and bonds, due in more than one year	118	133	144
Net pension liability	244	251	219
Other long-term liabilities	90	72	52
Total liabilities	<u>507</u>	<u>507</u>	<u>474</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>32</u>	<u>17</u>	<u>10</u>
<b>NET POSITION (EQUITY)</b>			
Net investment in capital assets	692	645	611
Net position, restricted	161	148	145
Net position, unrestricted	(53)	(39)	(26)
Total net position (equity)	<u>\$ 800</u>	<u>\$ 754</u>	<u>\$ 730</u>

## Balance Sheet (cont.)

<b>Business-type Activities – Last Three Fiscal Years</b>			
	<b>2018</b>	<b>2017</b>	<b>2016</b>
(Amounts in Millions)			
<b>ASSETS</b>			
Cash and investments	\$ 75	\$ 69	\$ 61
Due from state/federal governments	8	9	9
Receivables and other current assets	8	6	6
Inventories and prepaid items	4	4	5
Capital assets, net of depreciation	241	237	232
Total assets	336	325	313
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	4	4	3
<b>LIABILITIES</b>			
Accounts and contracts payable	6	5	5
Other current liabilities	2	2	2
Notes and bonds, due within one year	2	2	2
Notes and bonds, due in more than one year	21	26	32
Net pension liability	8	8	7
Other long-term liabilities	29	29	27
Total liabilities	68	72	75
<b>DEFERRED INFLOWS OF RESOURCES</b>	1	1	1
<b>NET POSITION (EQUITY)</b>			
Net investment in capital assets	218	208	199
Net position, restricted	7	7	7
Net position, unrestricted	46	41	34
Total net position (equity)	\$ 271	\$ 256	\$ 240

## Balance Sheet (cont.)

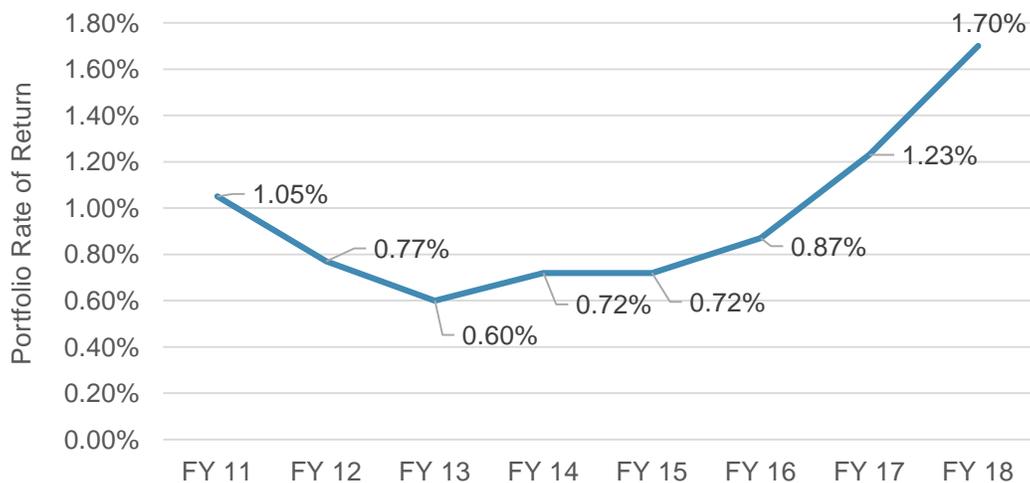
<b>County Total – Last Three Fiscal Years</b>			
	<b>2018</b>	<b>2017</b>	<b>2016</b>
(Amounts in Millions)			
<b>ASSETS</b>			
Cash and investments	\$ 446	\$ 407	\$ 391
Due from state/federal governments	50	49	31
Receivables and other current assets	21	20	18
Inventories and prepaid items	8	9	10
Net pension asset	3	3	3
Capital assets, net of depreciation	1,044	1,004	983
Total assets	1,572	1,492	1,436
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	107	115	94
<b>LIABILITIES</b>			
Accounts and contracts payable	31	29	21
Accrued interest payable	5	6	6
Other current liabilities	23	20	35
Notes and bonds, due within one year	6	5	6
Notes and bonds, due in more than one year	139	159	176
Net pension liability	252	259	226
Other long-term liabilities	119	101	79
Total liabilities	575	579	549
<b>DEFERRED INFLOWS OF RESOURCES</b>	33	18	11
<b>NET POSITION (EQUITY)</b>			
Net investment in capital assets	910	853	810
Net position, restricted	168	155	152
Net position, unrestricted	(7)	2	8
Total net position (equity)	\$ 1,071	\$ 1,010	\$ 970

# 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 liquidity, the County maintains a short overall weighted average maturity on its cash and investments.

In December 2015, the Federal Reserve's Federal Open Market Committee (FOMC) raised interest rates for the first time in seven years and kept them at the 0.25 percent to 0.50 percent target range for another year. The interest rate increases during fiscal years 2017 and 2018 brought the federal funds rate to the range of 2.00 percent to 2.25 percent. In this slowly rising interest rate environment, the County's average annual rate of return correspondingly rose from 1.23 percent for 2017 to 1.70 percent for 2018.

The chart below shows the County's rate of return on investments (excluding the Volunteer Firefighters pension plan) over the last eight 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 condition, which in turn, equates to low credit risk.

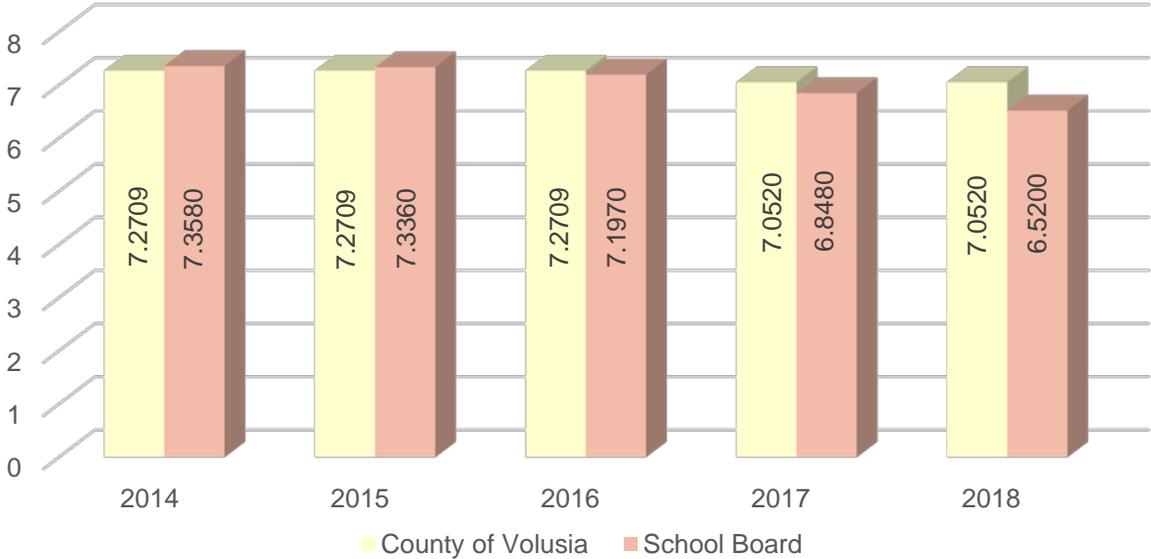
Overall, the County's outstanding debt, before issuance premium, decreased by \$18,801,067 (11.4 percent), during fiscal year 2018. The key factor in this decrease was required principal retirements in the amount of \$25,801,067 which were offset by \$7 million in borrowing activity.

A comparison of the amount of long-term debt owed at the end of fiscal year 2018 to the same time period in 2017 and 2016 is presented below.

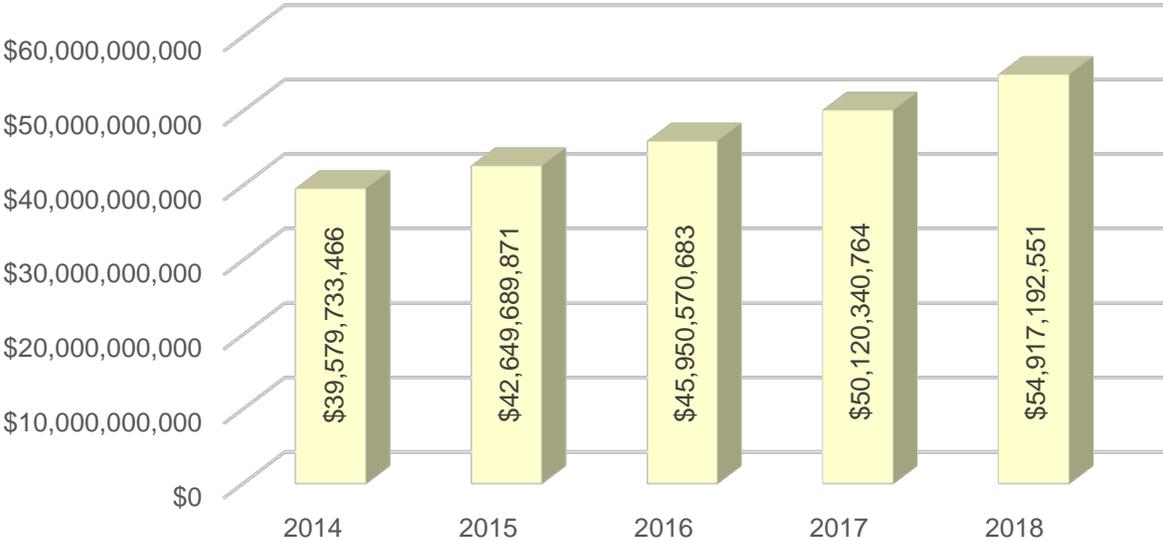
	<b>Fiscal Year 2018</b>	<b>Fiscal Year 2017</b>	<b>Fiscal Year 2016</b>
(Amounts in Millions) [except debt burden per capita]			
Bonds payable:			
Revenue bonds	\$ 86	\$ 105	\$ 123
General obligation bonds	9	12	15
Notes payable	50	47	43
<b>Total bonds and notes</b>	<b>\$ 145</b>	<b>\$ 164</b>	<b>\$ 181</b>
<b>Debt burden per capita</b>	<b>\$ 274</b>	<b>\$ 314</b>	<b>\$ 350</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

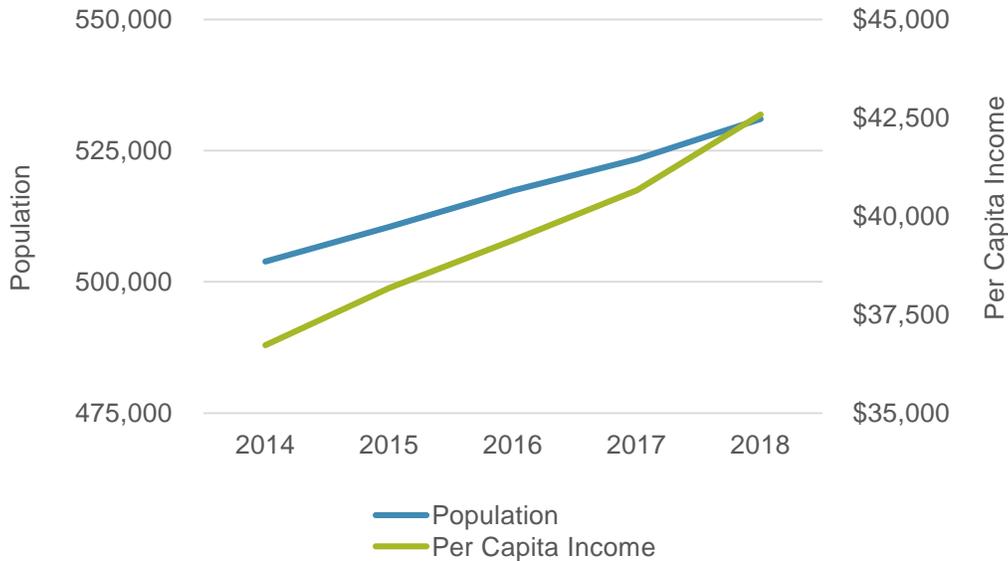
Taxpayer	Type of Business	2017 Taxable Value	Percent of Total Taxable Value
Florida Power and Light Co.	Electric Utility	\$ 1,067,988,771	3.05
Duke Energy Florida, Inc.	Electric Utility	254,616,752	0.73
BellSouth Telecommunication, LLC	Telephone	89,683,685	0.26
Spectrum	Entertainment	83,340,278	0.24
Starwood Capital Group	Investments	78,391,548	0.22
Walmart, Inc.	Retail	73,209,241	0.21
Publix Supermarkets, Inc.	Retail Sales/Grocery	68,113,720	0.19
International Speedway Corp	Entertainment	64,113,768	0.18
Ocean Walk II	Timeshare Sales	62,568,755	0.18
Covidien	Manufacturing	53,045,560	0.15
<b>Subtotal Principal Taxpayers</b>		<b>1,895,072,078</b>	<b>5.41</b>
All Other Taxpayers		33,072,036,161	94.59
<b>Total</b>		<b>\$ 34,967,108,239</b>	<b>100.00</b>

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

Fiscal Year	Total Tax Levy	Collected to End of Tax Year			Collected in Fiscal Year	
		Current Tax Collection	Percent of Levy	Delinquent Collections	Total Collections	Percent of Levy
2018	\$ 267,847,878	\$ 258,323,048	96.44	\$ 1,663,097	\$ 259,986,145	97.06
2017	250,157,758	241,433,627	96.51	797,561	242,231,188	96.83
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

# Demographics

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



**Ten Largest Employers in Fiscal Year 2018**

Employer	Number of Employees	Percent of Total Employment
Volusia County School Board	7,521	3.04
AdventHealth	5,885	2.38
Halifax Health	4,050	1.64
County of Volusia	3,408	1.38
Publix Supermarkets, Inc.	3,244	1.31
Walmart, Inc.	3,050	1.23
State of Florida	2,976	1.20
Stetson University	1,793	0.72
Daytona State College	1,490	0.60
Embry-Riddle Aeronautical University	1,405	0.57
<b>Total</b>	<b>34,822</b>	<b>14.07</b>
Estimated total workforce	247,474	

## Interesting Facts

Did you know that Volusia County.....

- offers 54 parks that total 11,941 acres that include 276 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 which also offers 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 3,445 scheduled flights last year, with over 748,000 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 129 events with over 287,000 attendees per year
- has a library system that provided over 3.1 million circulation materials to members of the public and in addition, users took advantage of the electronic resources available during the year 3.3 million times
- 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



