

COUNTY OF VOLUSIA, FLORIDA



**POPULAR ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

ACKNOWLEDGEMENTS

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

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

Jo Anne Drury, CGFO, Accounting Director
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Additional Acknowledgements:

Craig Baumgardner, Division Director, Revenue
Tammy Bong, Department Director, Budget and Administrative Services
Wanda Lindberg, Fiscal Resource Manager, Revenue
Brad Harris, Acting Division Director, Economic Development
Jennifer Madewell, CGFO, Activity Project Manager

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March 19, 2020

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, 2019*. 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, 2019*. The CAFR consists of over 292 pages of detailed financial statements, notes, schedules, and reports and, along with this annual report, is published online at 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 blue ink, appearing to read "R. Ossowski".

Ryan Ossowski, CPA
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, 2018

Christopher P. Morrell

Executive Director/CEO

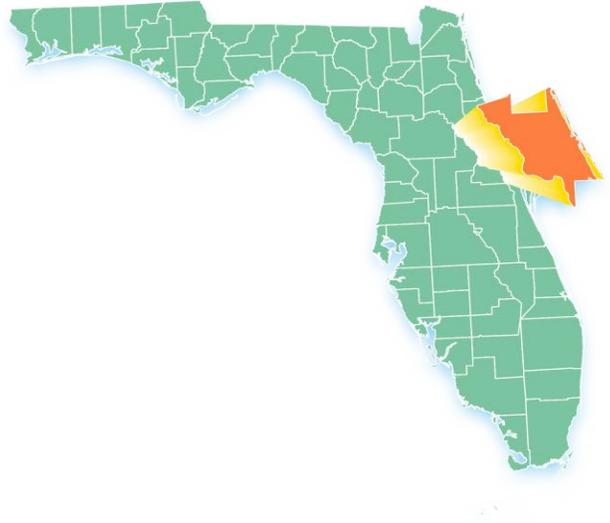
The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the County of Volusia, Florida for its Popular Annual Financial Report for the fiscal year ended September 30, 2018. The Award for 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 30th 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

Dr. Fred Lowry
Ben Johnson
Barbara Girtman
Billie Wheeler
Deborah Denys
Heather Post

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

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

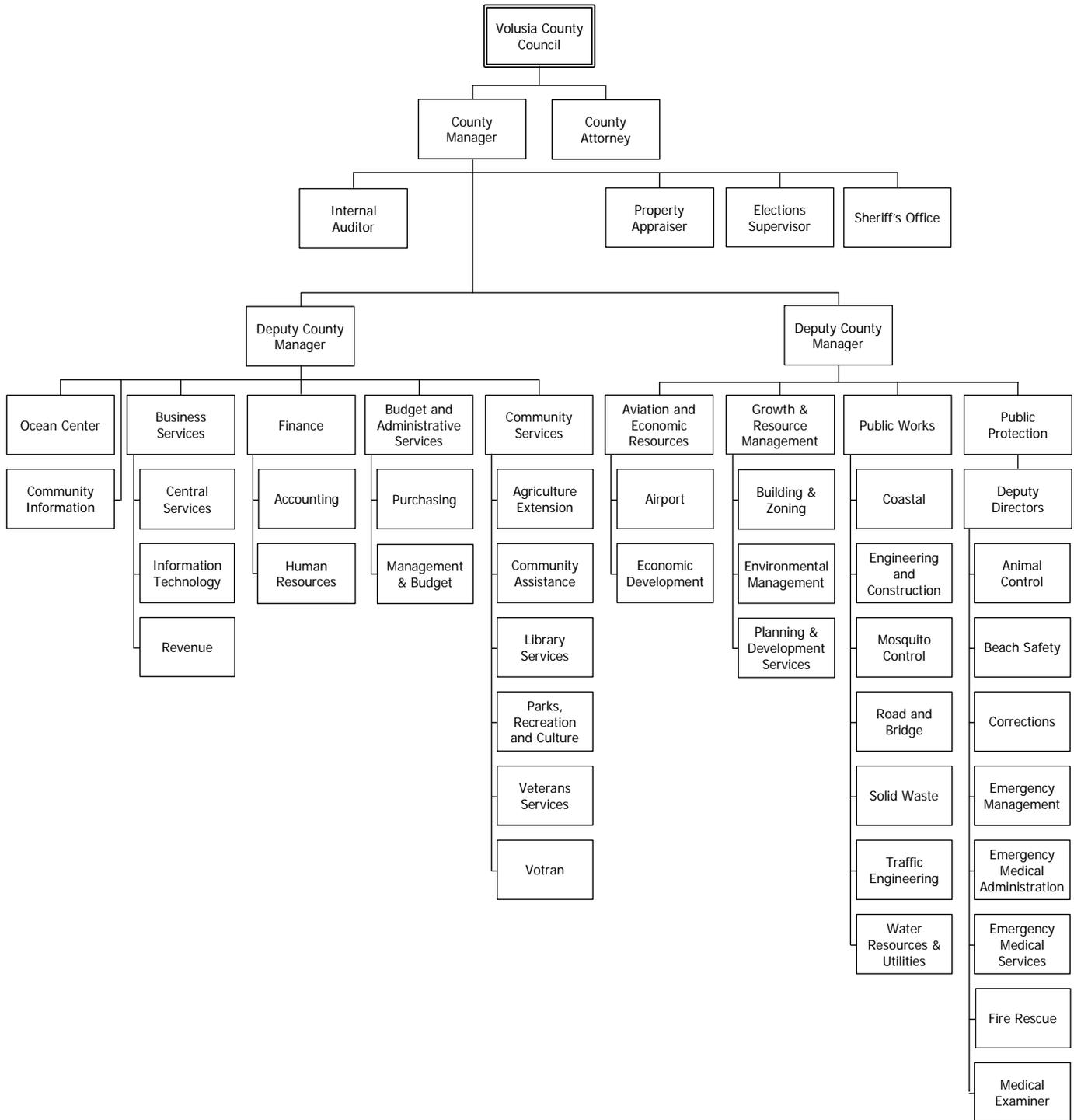
County Manager
County Attorney

The County Manager appoints Deputy County Managers.

Donna de Peyster, CPA
Suzanne Konchan

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 2019. The number of unemployed residents decreased to 8,188 for November 2019 compared to 8,121 for November 2018, while the number employed over the same period increased by almost 3,700 to 250,272. The unemployment rate stood at 3.6 percent for November 2019, down from 3.8 percent one year prior.

Construction activity remained strong with both residential and commercial new-construction permit values growing over 10 percent versus the previous fiscal year. The combined value for commercial and residential ground-up construction was \$1.2 billion.

Tourism continued to grow in Volusia County with a record 10.2 million visitors reported for the 2018 calendar year. This was the sixth consecutive record-setting year for tourism. The visitor trend is paralleled by growth in Hospitality and Leisure industry employment, which is up 40 percent since the great recession ended.

Local Development Projects

Brown & Brown Insurance began construction of their new 11-story headquarters building in Daytona Beach. The new 225,000 square foot riverfront building will be home to an estimated 1,100 employees, 600 of which will be new to the Daytona Beach location. The highly anticipated \$35 million facility is expected to ignite redevelopment around the historic Beach Street area of Daytona Beach.

Halifax Health completed its \$105 million hospital tower at the Interstate 4 and State Road 472 interchange in Deltona. The 96-bed hospital is adjacent to the Halifax Health freestanding emergency room opened in 2017. Advent Health continued construction of its \$100 million addition at Fish Memorial Hospital in Orange City, and the firm opened its new \$12 million, 12-bed freestanding emergency room facility in Deltona.

Duke Energy began construction of a \$70 million solar power generating facility in the City of DeBary that will produce up to 74 megawatts of electricity. The project is just one part of Duke Energy's \$1 billion effort to expand renewable energy in the state of Florida. When output from the DeBary facility is combined with power being generated by FP&L's Samsula and Daytona Speedway solar installations, Volusia will become one of the largest renewable energy producing counties in the state.

Volusia County's commercial distribution footprint continued its growth during the fiscal year 2019. With its close proximity to several major population centers, easy access to two interstate highways and an abundance of open land, Volusia County has become a highly desirable location for commercial distribution. In the past few years, Trader Joe's and B. Braun added large distribution facilities and in 2019, Amazon opened a "last mile" fulfillment center, adding to the logistics cluster in Daytona Beach. The new 66,000 square foot, \$15 million facility will employ approximately one hundred workers when fully staffed.

Security First Insurance completed construction of its new \$30 million, 4-story headquarters building in the Ormond Crossings Business Park. The 133,000 square foot facility will allow the company to consolidate its Volusia County staff under one roof and will provide space for additional 250 employees in the next 5 years.

Housing Development Projects

New construction activity has been steadily rising for eight consecutive years across Volusia County. Residential new construction permit approvals increased nearly 14 percent over fiscal year 2019, with total permit value rising 11 percent to \$869,045,059. One project contributing to the increase in fiscal year 2019 is Integra 289 Exchange, which has begun the process of developing 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

Stetson University completed construction of a new \$7 million aquatic center along Lake Beresford in DeLand. The center was funded by a generous gift from Sandra Stetson, great-granddaughter of the university's namesake, and a \$400,000 matching ECHO grant from Volusia County. Stetson also completed a \$32 million renovation and expansion of their DeLand campus student union, including an \$180,000 rooftop solar installation funded by the university's environmental "green fund". Daytona State College completed and opened its new 84,000 square foot \$39 million student and workforce transition center on their Daytona Beach campus. Embry-Riddle University opened its new 7,500 square foot Applied Aviation and Engineering Research Hangar as part of their Eagle Flight Research center.

Transportation Programs and Initiatives

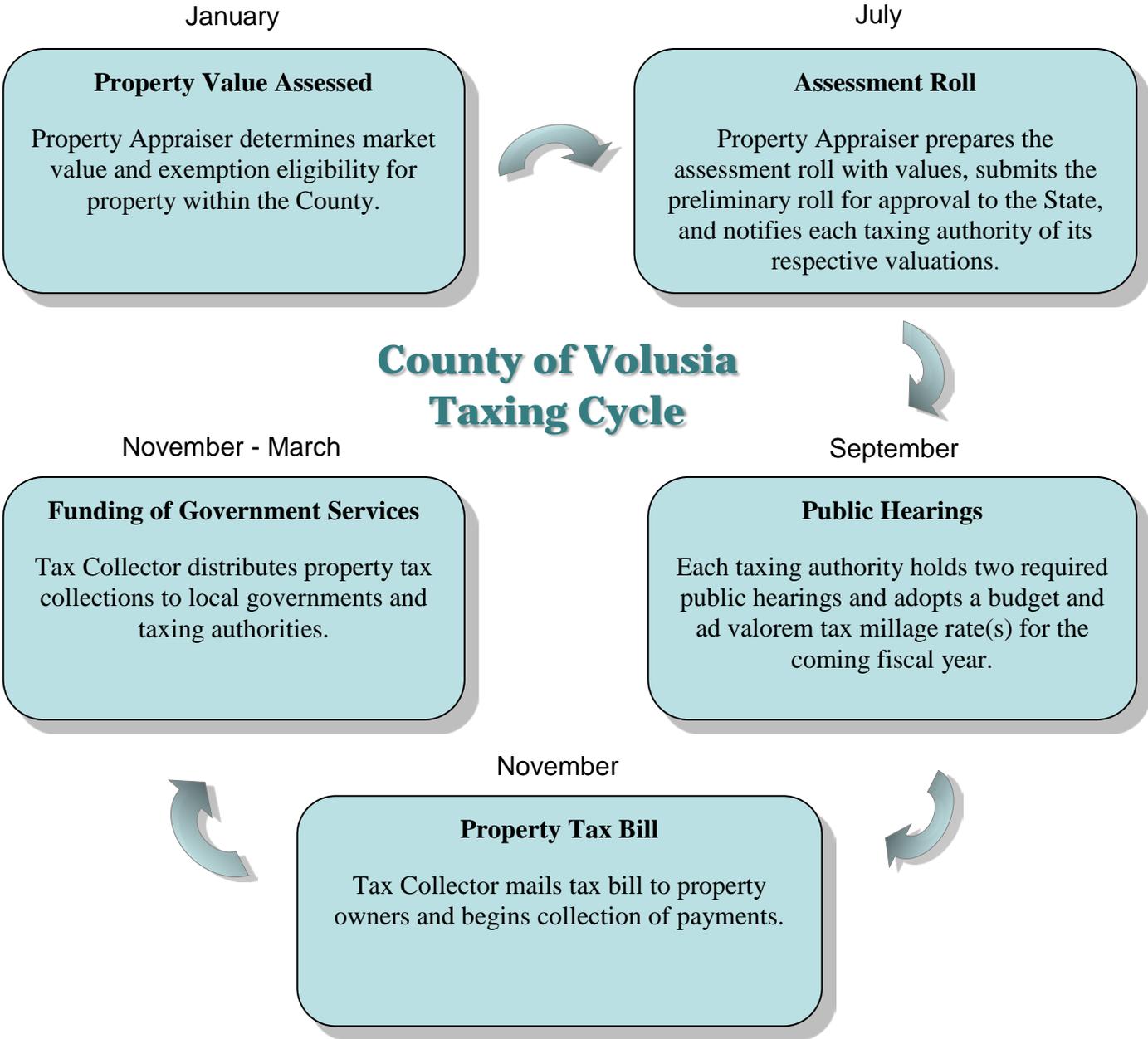
Passenger traffic at Daytona Beach International Airport (DAB) through October 2019 decreased 3.8 percent from 2018, due to the loss of JetBlue service in January 2019. However, Delta and American Airlines continued to add capacity in 2019 and will do so in 2020. In January 2020, American will resume seasonal service between LaGuardia Airport and DAB, American is also adding larger planes and an additional daily flight to accommodate more passengers. Delta also is adding more seats in 2020. By March 2020, total seats at the airport will be up 20 percent compared to September 2019.

The airport began a major terminal renovation project this year that will enhance the traveling experience for passengers. The upgrades include many aesthetic features such as new carpet, furniture, and a more open environment. There will also be a new mother's room in the secured section on the second floor. Technology is a major component of the renovations including digital information display systems and wayfinding signage, and power cord connectivity throughout the seating areas. This is the first renovation since the terminal opened in 1992. In December 2019, the newly renovated cell phone parking lot opened and in 2020, construction will begin on the short and long-term parking lot upgrades, further enhancing the customer experience.

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 2020. Construction continues on the new high-level, multi-arch, \$38 million Veterans Memorial Bridge over the Halifax River in Daytona Beach. Preliminary work has commenced on the Turnbull Bay bridge replacement. Road widening projects include Tenth Street in Edgewater, Howland Boulevard in Deltona, Orange Camp Road and Martin Luther King Boulevard in DeLand, Williamson Boulevard and LPGA Boulevard in Daytona, and Tymber Creek in Ormond Beach.

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 2019, 2018 and 2017

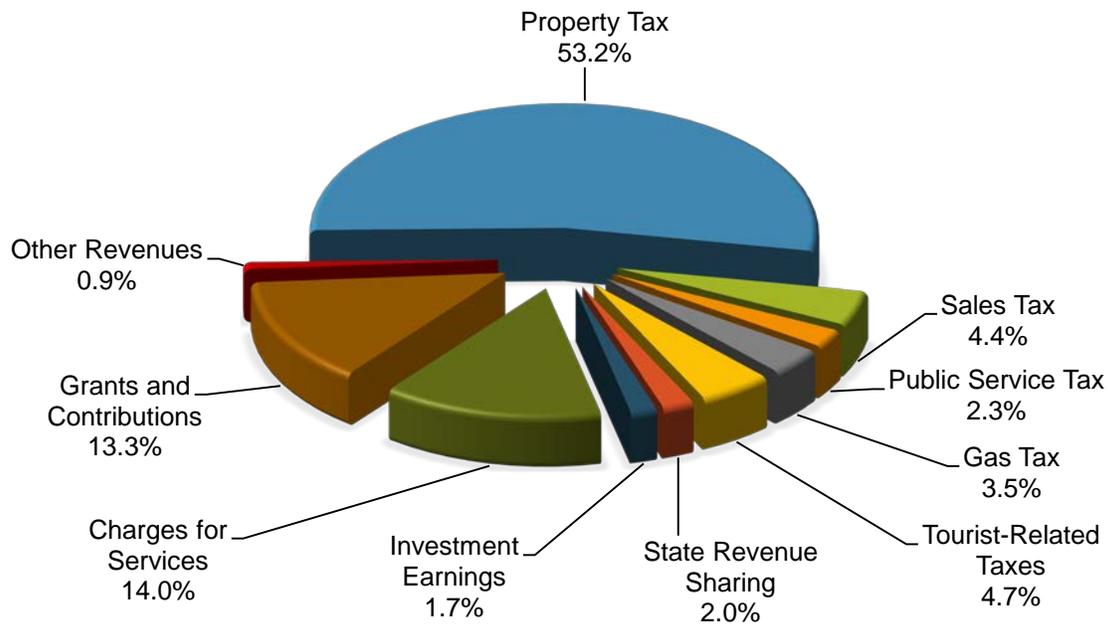
	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
(Amounts in Millions)			
Governmental activities:			
Property taxes	\$ 268	\$ 260	\$ 242
Sales tax	22	22	21
Public service tax	11	11	11
Gas tax	18	18	17
Tourist-related taxes	24	23	22
State revenue sharing	10	10	9
Investment earnings	9	2	1
Charges for services	70	69	67
Grants and contributions	67	86	73
Other revenues	4	1	4
Total governmental activities	<u>503</u>	<u>502</u>	<u>467</u>
Business-type activities:			
Refuse disposal	20	19	18
Daytona Beach International Airport	30	26	24
Volusia Transportation Authority	24	18	17
Water and sewer utilities	24	18	23
Parking garage	2	2	2
Garbage collection	11	10	9
Total business-type activities	<u>111</u>	<u>93</u>	<u>93</u>
Primary government total	<u>\$ 614</u>	<u>\$ 595</u>	<u>\$ 560</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.

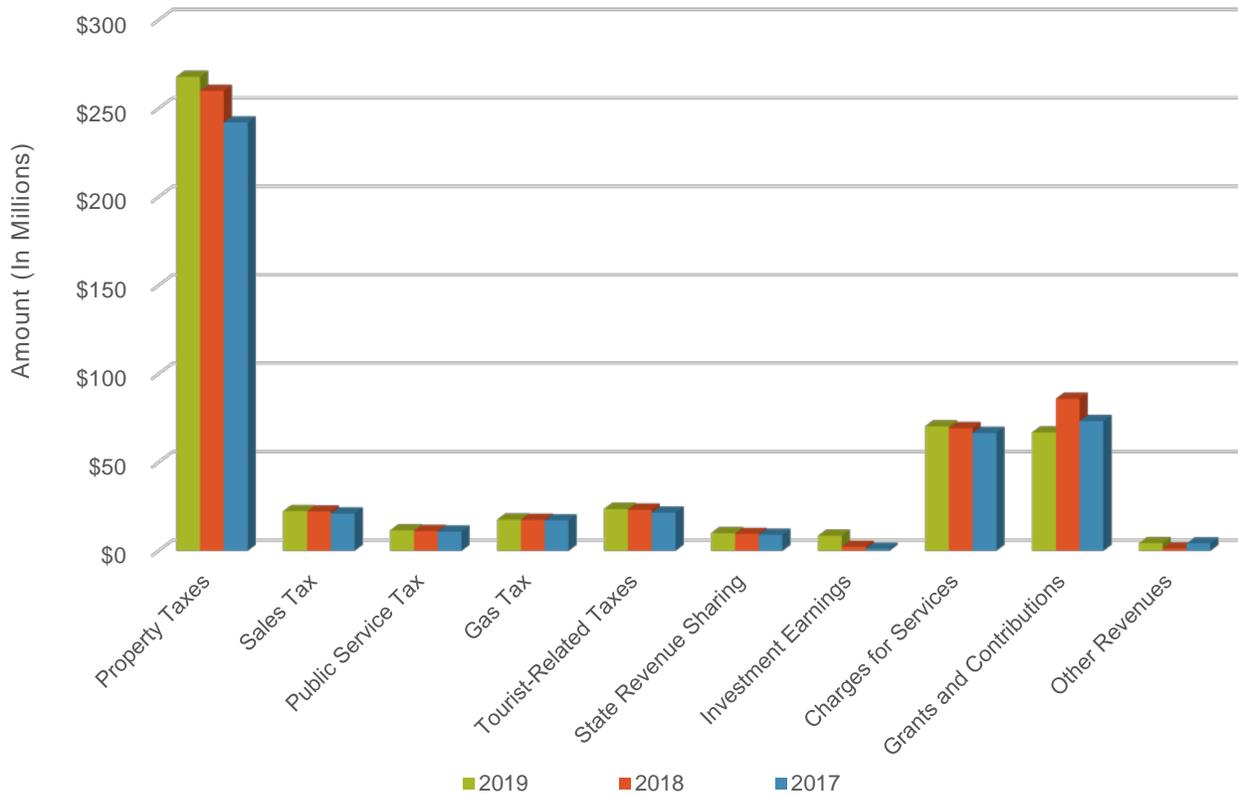
Compared to the prior fiscal year, revenues for the governmental activities increased by \$ 0.9 million (0.2 percent). Increases in property tax revenue (approximately \$8.0 million), charges for services (approximately \$1.1 million), and investment earnings (approximately \$6.2 million) were offset by reduction in grants and contributions (approximately \$19.1 million), attributable mainly to grants for Hurricanes Irma and Matthew, and grant for rails to trails reimbursement reductions.

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

Revenues for the County’s business-type activities increased by \$18.3 million (19.7 percent), when compared to the prior fiscal year. An increase of approximately \$4.8 million in charges for services and an increase of approximately \$12.2 million in capital grants and contributions were the main causes for the increase.

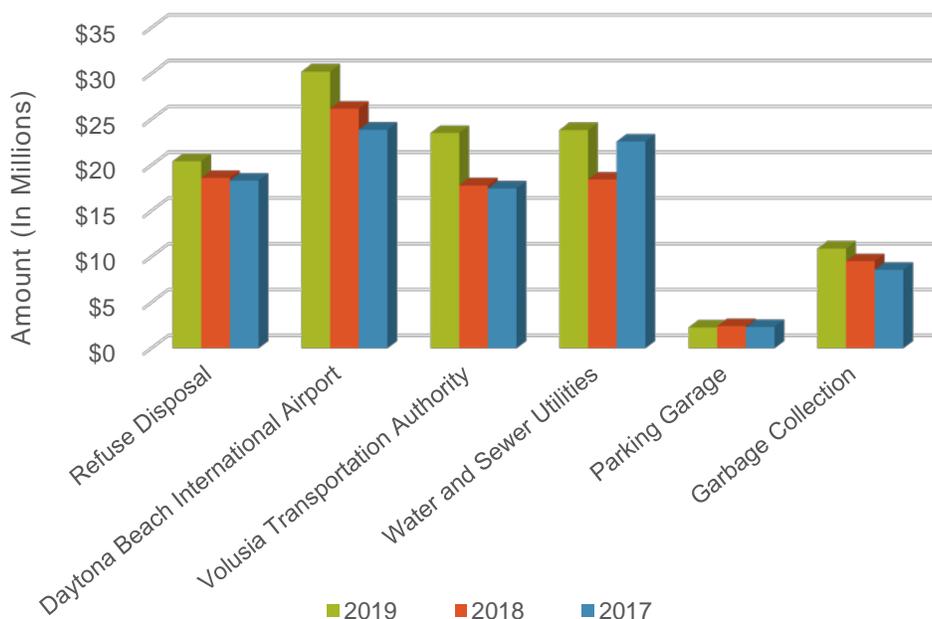
Increased capital grants and contribution in the fiscal year 2019 were primarily attributable to the following:

- \$4.4 million in Airport federal grant reimbursements for the construction phase of taxiway November;
- \$4.4 million in capital grants in the VOTRAN fund was related to the purchase of eleven full-size vehicles and nineteen paratransit buses in fiscal year 2019, compared to five full-size vehicles and nine buses in 2018;
- \$3.3 million in capital contributions in the water and sewer utilities fund associated with the acceptance of six developer contributed water/sewer infrastructure improvements.

Increased charges for services in the fiscal year 2019 were primarily due to the following:

- \$1.2 million in landfill charges in the refuse disposal fund due to 27,000 tons (5 percent) increase of waste disposed;
- \$1.7 million in the water and sewer utilities fund due 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.

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



Expenses

Comparison of Expenses Between Fiscal Years 2019, 2018 and 2017

	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2017</u>
(Amounts in Millions)			
Governmental activities:			
General government	\$ 71	\$ 66	\$ 64
Public safety	217	193	191
Physical environment	8	7	7
Transportation	39	38	37
Economic environment	25	41	54
Human services	22	21	21
Culture/recreation	61	59	55
Interest on long-term debt	4	4	5
Total governmental activities	<u>447</u>	<u>429</u>	<u>434</u>
Business-type activities:			
Refuse disposal	16	14	15
Daytona Beach International Airport	19	19	19
Volusia Transportation Authority	31	29	27
Water and sewer utilities	15	14	14
Parking garage	2	2	2
Garbage collection	11	10	9
Total business-type activities	<u>94</u>	<u>88</u>	<u>86</u>
Primary government total	<u><u>\$ 541</u></u>	<u><u>\$ 517</u></u>	<u><u>\$ 520</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.

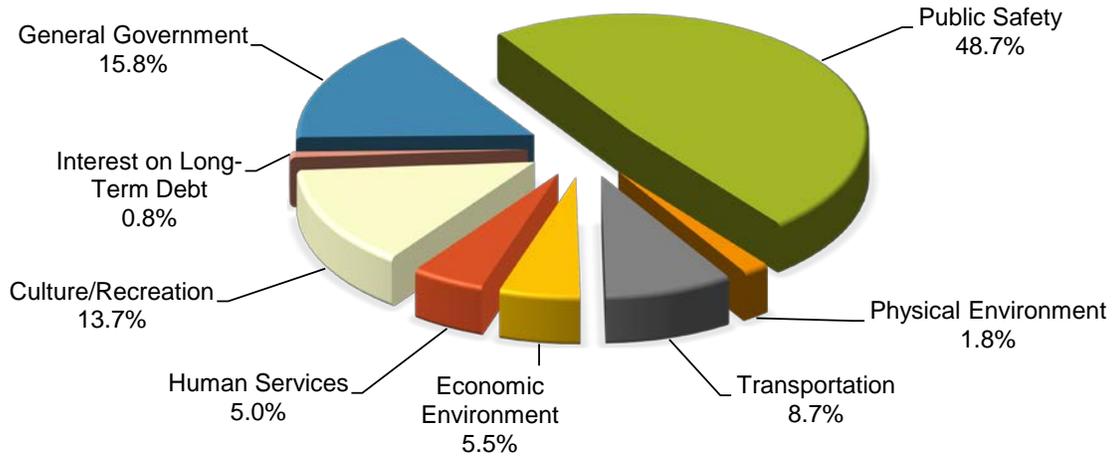
The cost of all governmental activities in fiscal year 2019 was \$446.8 million compared to \$429.2 in prior year, a net increase of \$17.6 million (4.1 percent). \$137.3 million was financed either through user fees paid by those who directly benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions. Taxes and other general revenues financed the remaining \$309.5 million.

A reduction in economic environment expenditures of approximately \$16.5 million was primarily attributable to the difference in Hurricane Irma (\$13.4 million) and Hurricane Matthew (\$1.6 million) recovery costs in 2018 compared to 2019. The decrease was offset by an increase of \$34.1 million spread across all activities and is mostly attributable to the following:

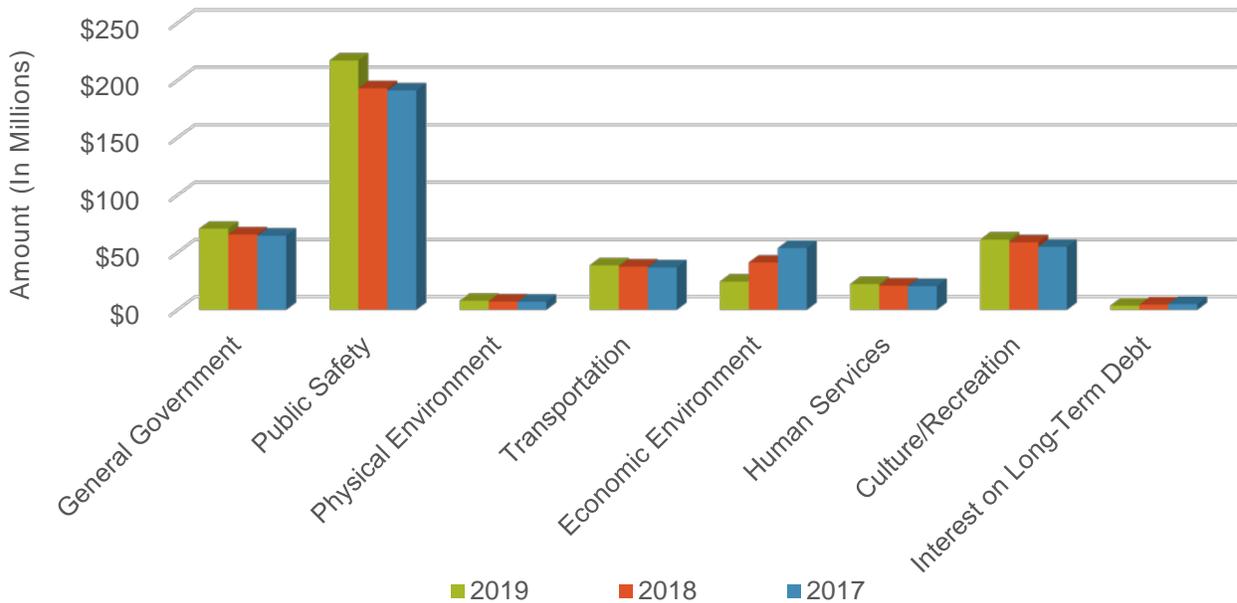
- \$7.3 million increase spread across all activities as the result of a 4.0 percent pay adjustment;
- \$21.6 million increase spread across all activities as the result of pension expense calculated in accordance with GASB Statement No. 68;
- \$5.2 increase in claims and other accrued costs in the risk and employee group insurance funds, allocated across all activities.

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 of business-type activities overall increased by \$6.3 million (7.2 percent), when compared to the prior fiscal year.

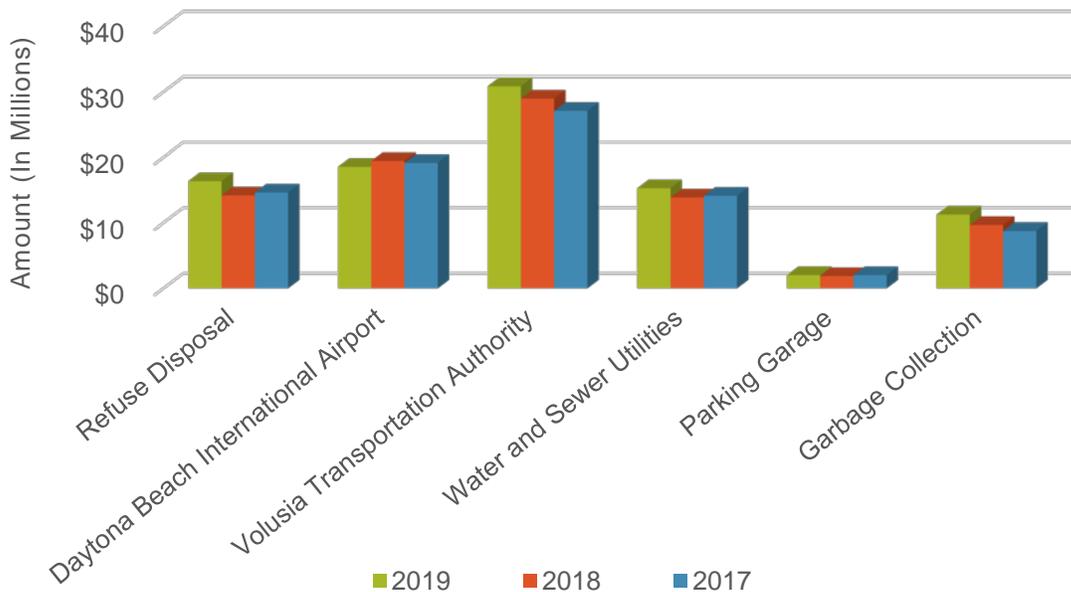
The change in refuse disposal expense resulted from increased wages and retirement contributions (approximately \$0.4 million), increased landfill closure costs (approximately \$0.5 million), and increased contracted services costs that included warranties, temporary labor, and leachate removal (approximately \$0.5 million).

Expenses in the Daytona Beach International Airport fund decreased by approximate \$0.9 million. A decrease of approximately \$2.0 million was attributable to repair and maintenance expenses in the prior year for terminal air handlers, roof replacement, emergency generators, and parking lot improvements. This decrease was offset by an increase of \$0.4 million in promotional advertising and \$0.5 million in personal services for employee raises and retirement contributions.

Expenses in the Volusia County Transportation Authority increased by approximately \$1.9 million when compared to the prior fiscal year primarily due to the increase in personnel costs. This increase is the result of general wage increases, labor agreement wage increases, added new service routes, and increase of in-house personnel related to the decrease of paratransit subcontractors.

Expenses in the garbage collection fund increased by approximately \$1.6 million 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 \$16.00 per customer, per month, in fiscal year 2018 to \$18.03 per customer, per month, in fiscal year 2019.

Comparison of Expenses by Business-type Activity-Last Three Fiscal Years



Balance Sheet

The balance sheet reflects 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 2019, 2018, and 2017 is provided.

Governmental Activities – Last Three Fiscal Years			
	2019	2018	2017
(Amounts in Millions)			
ASSETS			
Cash and investments	\$ 412	\$ 371	\$ 338
Due from state/federal governments	34	42	40
Receivables and other current assets	13	13	14
Inventories and prepaid items	5	4	5
Net pension asset	3	3	3
Capital assets, net of depreciation	820	803	767
Total assets	1,287	1,236	1,167
DEFERRED OUTFLOWS OF RESOURCES			
	95	103	111
LIABILITIES			
Accounts and contracts payable	19	25	24
Accrued interest payable	4	5	6
Other current liabilities	23	21	18
Notes and bonds, due within one year	3	4	3
Notes and bonds, due in more than one year	94	118	133
Net pension liability	276	244	251
Other long-term liabilities	94	90	72
Total liabilities	513	507	507
DEFERRED INFLOWS OF RESOURCES			
	25	32	17
NET POSITION (EQUITY)			
Net investment in capital assets	720	692	645
Net position, restricted	181	161	148
Net position, unrestricted	(57)	(53)	(39)
Total net position (equity)	\$ 844	\$ 800	\$ 754

Balance Sheet (cont.)

Business-type Activities – Last Three Fiscal Years			
	2019	2018	2017
(Amounts in Millions)			
ASSETS			
Cash and investments	\$ 93	\$ 75	\$ 69
Due from state/federal governments	10	8	9
Receivables and other current assets	7	8	6
Inventories and prepaid items	4	4	4
Capital assets, net of depreciation	263	241	237
Total assets	377	336	325
DEFERRED OUTFLOWS OF RESOURCES	4	4	4
LIABILITIES			
Accounts and contracts payable	9	6	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	28	21	26
Net pension liability	9	8	8
Other long-term liabilities	31	29	29
Total liabilities	81	68	72
DEFERRED INFLOWS OF RESOURCES	1	1	1
NET POSITION (EQUITY)			
Net investment in capital assets	241	218	208
Net position, restricted	7	7	7
Net position, unrestricted	51	46	41
Total net position (equity)	\$ 299	\$ 271	\$ 256

Balance Sheet (cont.)

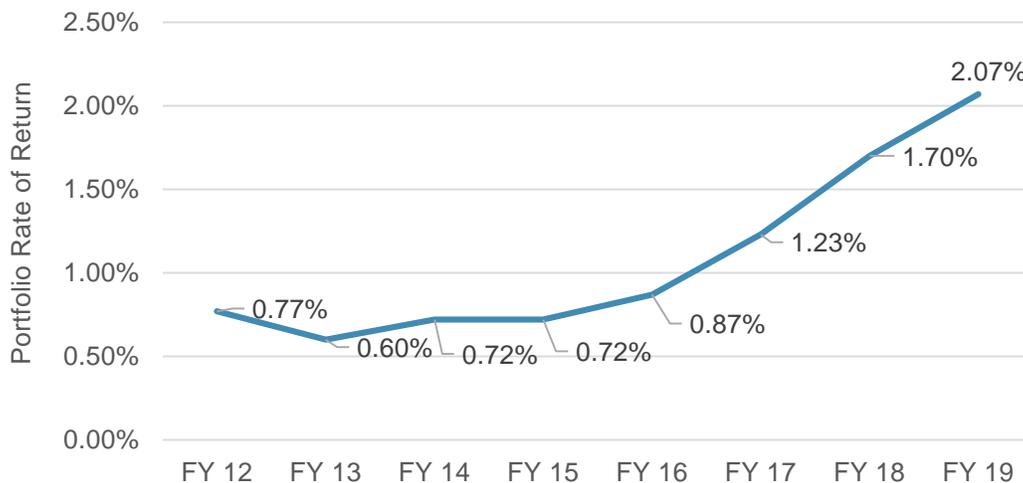
County Total – Last Three Fiscal Years			
	2019	2018	2017
(Amounts in Millions)			
ASSETS			
Cash and investments	\$ 505	\$ 446	\$ 407
Due from state/federal governments	44	50	49
Receivables and other current assets	20	21	20
Inventories and prepaid items	9	8	9
Net pension asset	3	3	3
Capital assets, net of depreciation	1,083	1,044	1,004
Total assets	1,664	1,572	1,492
DEFERRED OUTFLOWS OF RESOURCES	99	107	115
LIABILITIES			
Accounts and contracts payable	28	31	29
Accrued interest payable	4	5	6
Other current liabilities	25	23	20
Notes and bonds, due within one year	5	6	5
Notes and bonds, due in more than one year	122	139	159
Net pension liability	285	252	259
Other long-term liabilities	125	119	101
Total liabilities	594	575	579
DEFERRED INFLOWS OF RESOURCES	26	33	18
NET POSITION (EQUITY)			
Net investment in capital assets	961	910	853
Net position, restricted	188	168	155
Net position, unrestricted	(6)	(7)	2
Total net position (equity)	\$ 1,143	\$ 1,071	\$ 1,010

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.

During fiscal year 2019, the County's cash resources were primarily invested in U.S. Agency and Treasury instruments, and government money market mutual funds regulated by the Securities and Exchange Commission. In order to provide some additional diversification, but still maintain an acceptable level of safety, the County invested in highly rated commercial paper with maturities of 270 days or less and two Florida Local Government Investment Pools (LGIPs). The County did not invest in any derivatives or similar debt and investment instruments because these do not meet its risk mitigation objectives. The interest rates received from individual securities for the fiscal year ranged from 1.00 percent to 3.23 percent. In July 2019, in response to weak economic data, the Federal Reserve System's Federal Open Market Committee (FOMC) began reducing interest rates and by fiscal year end, the range was 1.75 to 2.00 percent. Since the interest rate reductions began in the fourth quarter of the fiscal year, it did not produce a decrease in the County's average annual return when compared to the prior year. The County experienced an increase from 1.70 percent for 2018 to 2.07 percent for 2019.

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. As part of its overall monitoring activities, the County assesses existing market conditions to determine the appropriate time to refund or extinguish outstanding debt issues, if appropriate, to realize cost savings.

On June 27, 2019, the County issued a \$12 million Capital Improvement Revenue Note, Series 2019 to finance the cost to modernize the Daytona Beach International Airport. Some of the improvements include exterior curbside elevation finishes; new automatic sliding doors; interior seating and furnishing; passenger check-in counters, airline gate counters and rental car counters; upgrades to interior LED lighting; updated audio/visual displays, and upgrade Flame Ionization Detectors (FIDs); refreshed TSA checkpoint, interior wall and column finishes; and updated interior flooring and signage.

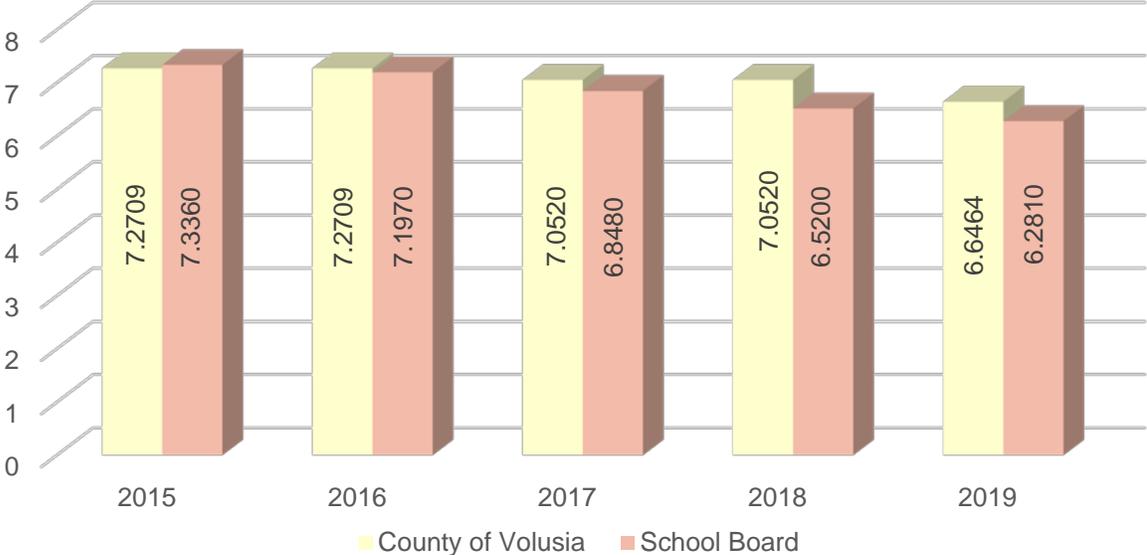
In addition, the County financed the upgrade of its parking lot revenue control system and equipment at the Ocean Center with a \$464,535 5-year note payable.

A comparison of the amount of long-term debt owed at the end of fiscal year 2019 to the same time period in 2018 and 2017 is presented below:

	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
(Amounts in Millions) [except debt burden per capita]			
Bonds payable:			
Revenue bonds	\$ 77	\$ 86	\$ 105
General obligation bonds	6	9	12
Notes payable	43	50	47
Total bonds and notes	\$ 126	\$ 145	\$ 164
Debt burden per capita	\$ 234	\$ 274	\$ 314

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

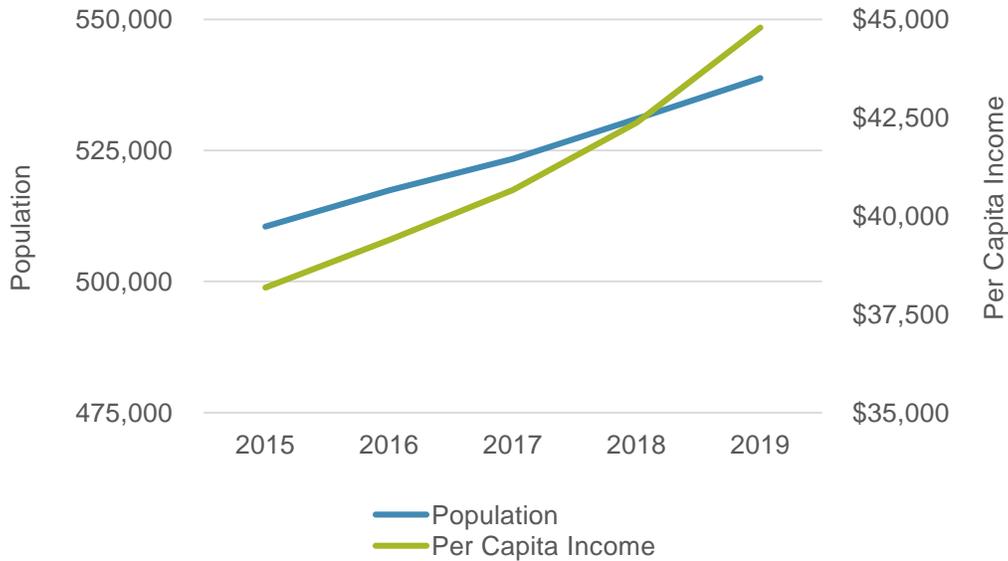
Taxpayer	Type of Business	Fiscal Year Ended September 30, 2019	
		2018 Taxable Value	Percent of Total Taxable Value
Florida Power and Light Co.	Electric Utility	\$ 1,244,093,603	3.28
Duke Energy Florida, Inc.	Electric Utility	250,717,445	0.66
Oceanwalk I / Oceanwalk II	Timeshare Investments	113,581,392	0.30
Walmart Stores, Inc.	Retail Sales	87,264,439	0.23
BellSouth Telecommunication	Communications	85,708,188	0.23
Starwood Capital Group	Real Estate/Investment	82,610,994	0.22
Spectrum	Communications	81,507,578	0.21
International Speedway Corp	Entertainment	63,984,538	0.17
Cardinal Health	Manufacturing	61,734,070	0.16
One Daytona	Retail Sales	59,163,529	0.16
Subtotal Principal Taxpayers		2,130,365,776	5.62
All Other Taxpayers		35,839,048,988	94.38
Total		\$ 37,969,414,764	100.00

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
2019	\$ 276,373,617	\$ 266,491,152	96.42	\$ 1,175,811	\$ 267,666,963	96.85
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

Demographics

Comparison of Population and Per Capita Income Last Five Fiscal Years



Ten Largest Employers in Fiscal Year 2019

Employer	Number of Employees	Percent of Total Employment
Volusia County School Board	8,254	3.29
AdventHealth	6,054	2.42
Halifax Health	4,045	1.61
Publix Supermarkets Incorporated	3,434	1.37
County of Volusia	3,411	1.36
State of Florida	2,988	1.19
Walmart Stores Incorporated	2,922	1.17
Stetson University	1,921	0.77
Embry-Riddle Aeronautical University	1,601	0.64
Daytona State College	1,485	0.59
Total	36,115	14.41
Estimated total workforce	250,537	

Interesting Facts

Did you know that Volusia County...

- offers 54 parks that total 11,937 acres that include 282 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 3,519 scheduled flights last year, with almost 729,000 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 126 events with over 380,000 attendee days per year
- has a library system that provided over 3 million circulation materials to members of the public and over 3 million users took advantage of the electronic resources available during the year
- provides information on county services through its website, social media, news releases, live audio of County Council meetings, live beach cams, and weekly TV and radio shows
- 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



