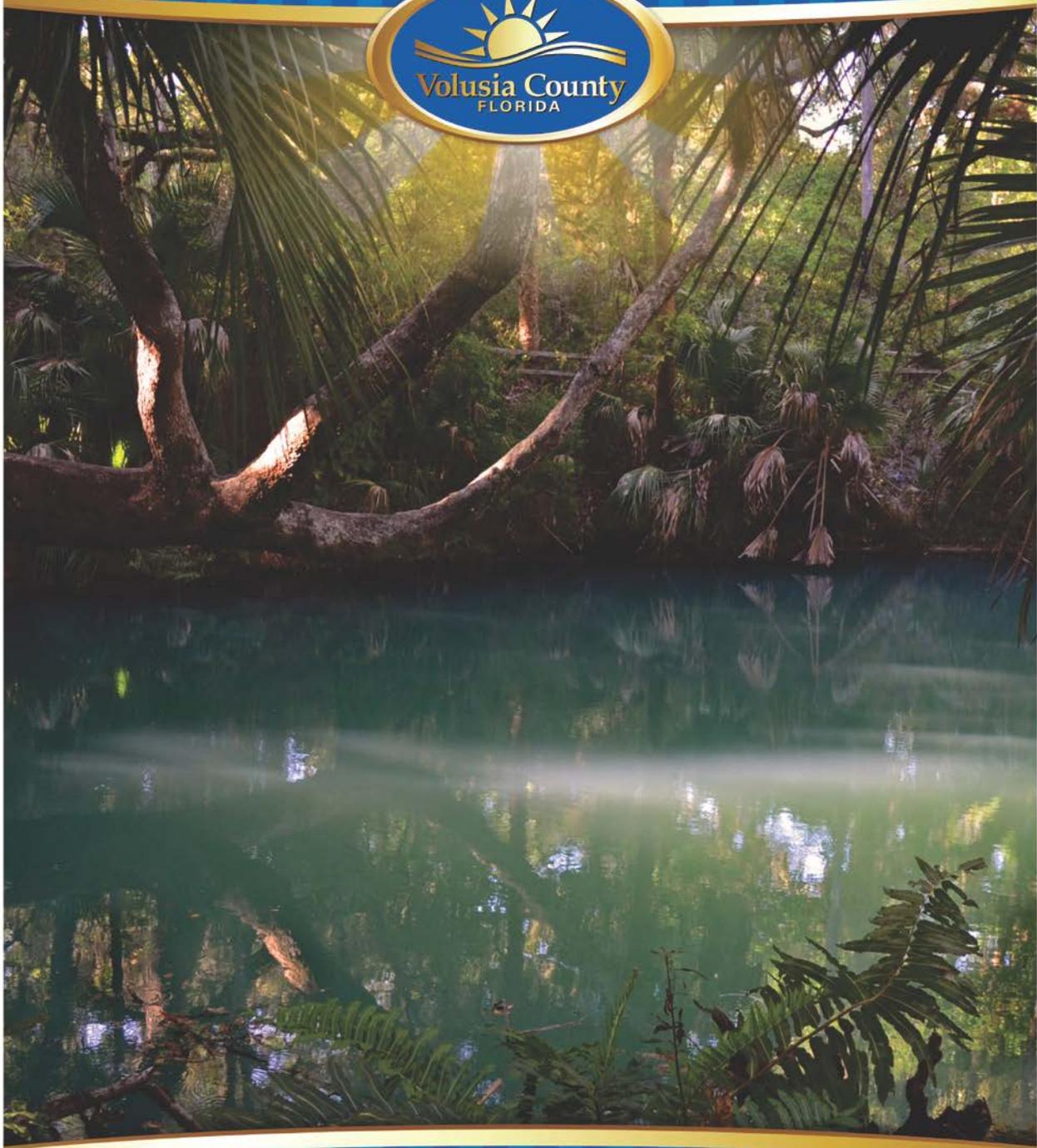


COUNTY OF VOLUSIA, FLORIDA



POPULAR ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

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.

Ryan Ossowski, CPA, Accounting Director
Patricia Kehr, Fiscal Resource Manager
Shirley Liu, CPA, Senior Accountant
Jennifer Madewell, Senior Accountant
Terri Ruegger, CGFO, Fiscal Resource Manager
Lynne Urice, CGFO, Fiscal Resource Manager
Myriam Lemay, CTP, Activity Project Manager
Tammy Heuring, Administrative Coordinator
Svetlana Ries, Accounting Clerk

Additional Acknowledgements:

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





May 24, 2016

It is a pleasure to present the sixth issue of the *County of Volusia, Florida, Popular Annual Financial Report for the fiscal year ended September 30, 2015*. 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, 2015*. The CAFR consists of over 260 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 black ink that reads "Donna de Peyster". The signature is written in a cursive, flowing style.

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, 2014


Executive Director/CEO

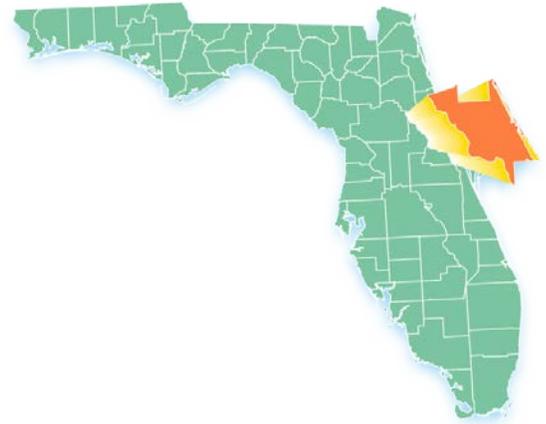
The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the County of Volusia, Florida for its Popular Annual Financial Report for the fiscal year ended September 30, 2014. The Award for 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.

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 Council Mission Statement

Mission: To nourish good citizenship by promoting democratic values and earning public trust; to respond effectively to citizens' needs for health, safety, and general welfare; to allocate limited public resources fairly and efficiently; to provide leadership and high quality service by consistently communicating with the citizens about their needs and aspirations.

Strategic Goals:

- Customer/Partner Relations: Maintain and foster productive working relationships with partners while providing a high level of customer service.
- Quality Services: Provide a broad range of services in ways that meet community expectations for quality.
- Community Quality of Life: Engage in infrastructure, regulatory, and leadership actions, which protect and enhance the resident's experience of Volusia County as a distinctive and satisfying place to live and work.
- Economic and Financial Vitality: Strengthen the economic health of the community to foster quality job growth and a financial base for public sector activities.

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	District No. 1, Vice Chair
Joyce M. Cusack	Council Member At-Large
Joshua J. Wagner	District No. 2
Deborah Denys	District No. 3
Doug Daniels	District No. 4
Fred Lowry, Jr.	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	Sheriff
Ann McFall	Supervisor of Elections
Morgan B. Gilreath, Jr.	Property Appraiser

APPOINTED OFFICIALS

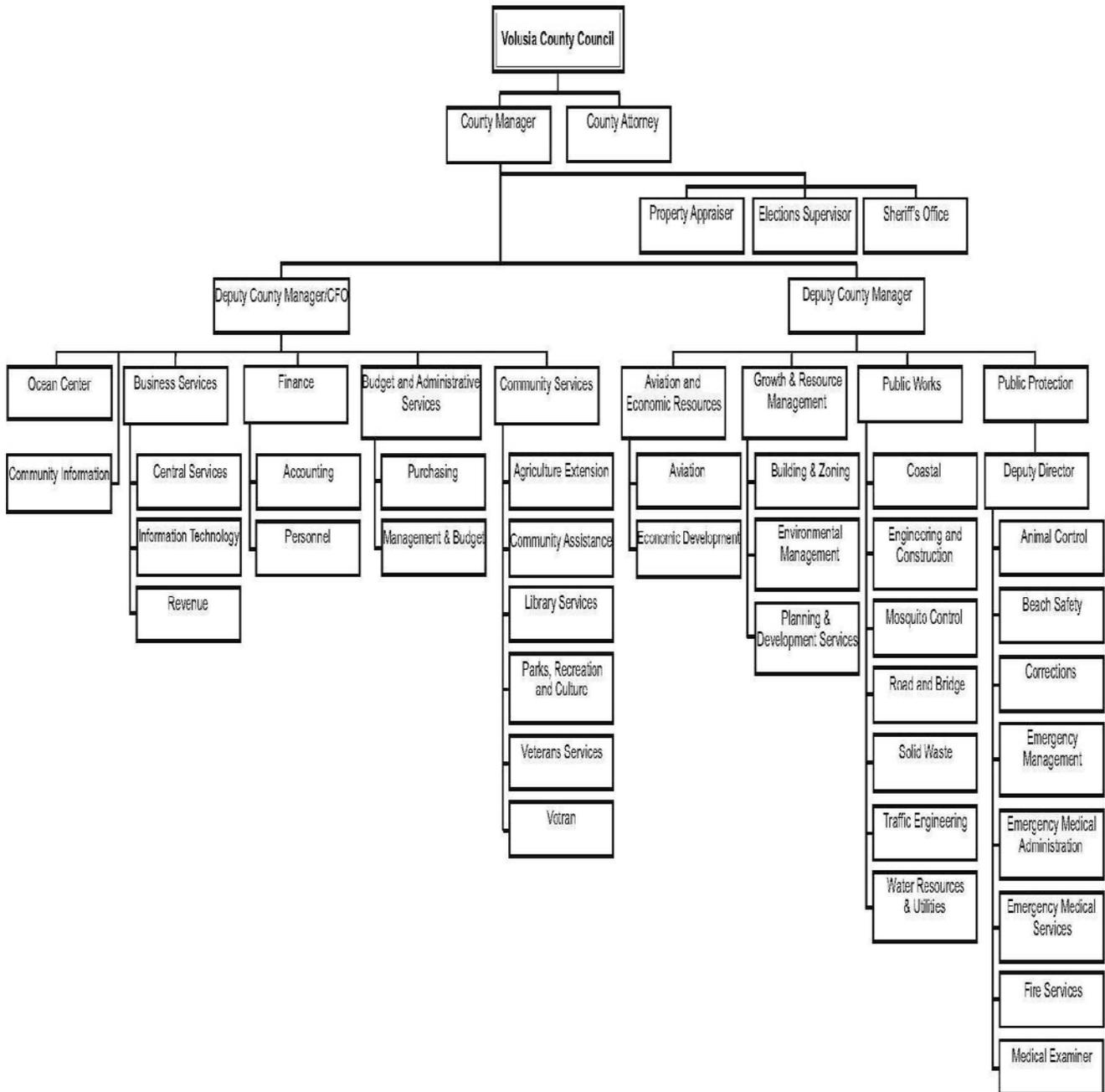
The council appoints the County Manager and the County Attorney.

James Dinneen	County Manager
Daniel Eckert	County Attorney

The County Manager appoints Deputy County Managers.

Donna de Peyster, CPA, CFO	Mary Anne Connors
----------------------------	-------------------

Volusia County Organizational Chart



Economic Condition of the County

Local Economy

The economy of Volusia County improved in fiscal year 2015 with most industry sectors showing employment growth of 2 to 3 percent. The number of unemployed residents declined from 15,015 in October 2014 to 12,515 in October 2015; from a rate of 6.2 percent to 5.3 percent. The number employed remained above 225,400.

Residential new construction permit activity increased 1.1 percent in total numbers and 1.8 percent in total dollar value over prior year, while commercial new construction permit activity increased 28.8 percent in value. Foreclosure filings in Volusia County continued to decline compared to the prior year, as did sales of foreclosed properties.

Overall, bed tax revenue increased 11 percent and year-to-date hotel occupancy was up by 2 percent to an average of 65 percent. Revenue per available room was up 8 percent and the average daily rate rose by 3 percent.

Business Expansion and Recruitment projects

The DAYTONA Rising project is scheduled for on-time completion of the \$400 million reimaging of the Daytona International Speedway (DIS). Across the street from the DIS, International Speedway Corporation will begin construction of a Cobb Theatre multiplex facility, a Bass Pro Shops, and a Marriott Hotel as part of the ONE DAYTONA project that includes their headquarter building.

New construction and expansions completed during fiscal year 2015 included: World Class Distribution's new distribution facility in Daytona Beach to serve Trader Joe's; Boston Whaler's new \$10 million manufacturing facility in Edgewater; Frontier Communications' \$2.5 million in renovations to open a second DeLand location; and Tailwind Development's new shopping center in DeLand anchored by a new \$6 million Publix supermarket. Combined, these firms are projected to employ over 2,600 area residents.

Florida Hospital completed and opened a new \$11 million outpatient clinic in Deltona, and Florida Hospital Fish Memorial completed hospital renovations (\$1.75 million) and upgrade to its emergency room and catheterization labs (\$3 million) at its Orange City facility. Nearing completion is Blue Coast Bakers' renovations for a commercial bakery and food-manufacturing plant in Ormond Beach. TopBuild Corporation, a former division of Masco Corporation has initiated site development for new headquarters in Daytona Beach.

Tanger Outlet Mall purchased 39 acres adjacent to Interstate 95 in Daytona Beach for the construction of a 350,000 square foot outlet center with 80-90 stores which are expected to create up to 800 new full and part time jobs. The sale of 18.1 acres to an affiliate of Sam's Club and 37 acres to the North American Development Group are also part of the new Tomoka Town Center. Minto Communities, a Canadian residential developer has contracted to purchase approximately 1,600 acres for a planned community with over 3,000 single family homes. Embry Riddle Aeronautical University has begun construction of a \$75 million, 177,000 square foot student center.

Additional announced future local expansions include: Central Florida Regional Hospital constructing a freestanding emergency department in Deltona; Halifax Health building a new \$100 million emergency and medical office complex in Deltona and a \$5 million urgent care center near State Road 415; Davita Labs building a diagnostic medical laboratory in DeLand; B. Braun Medical expanding of its FDA-rated facility; Embry Riddle Aeronautical University constructing a \$28 million Advanced Aerodynamics Laboratory and Wind Tunnel facility.

Demolition has begun on property purchased south of Stetson University in DeLand for construction of a five-story Courtyard Hotel by Marriott. Bayshore Capital, Inc. is preparing for the construction of a \$100 million Hard Rock Hotel in Daytona Beach and Protogroup is planning a \$150 million condo hotel near the Ocean Center convention facility. The Hilton Daytona Beach Oceanfront Resort was acquired by the Starwood Capital Group for \$92 million with reported plans to invest over \$25 million in renovations. The Summit Hospitality Group is spending more than \$20 million to transform the former Desert Inn into a Westin Resort & Spa.

Transportation Programs and Initiatives

The Daytona Beach International Airport (DBIA) secured JetBlue air service that began January 7, 2016. The daily JetBlue service is estimated to bring an added 95,000 to 100,000 passengers the first year.

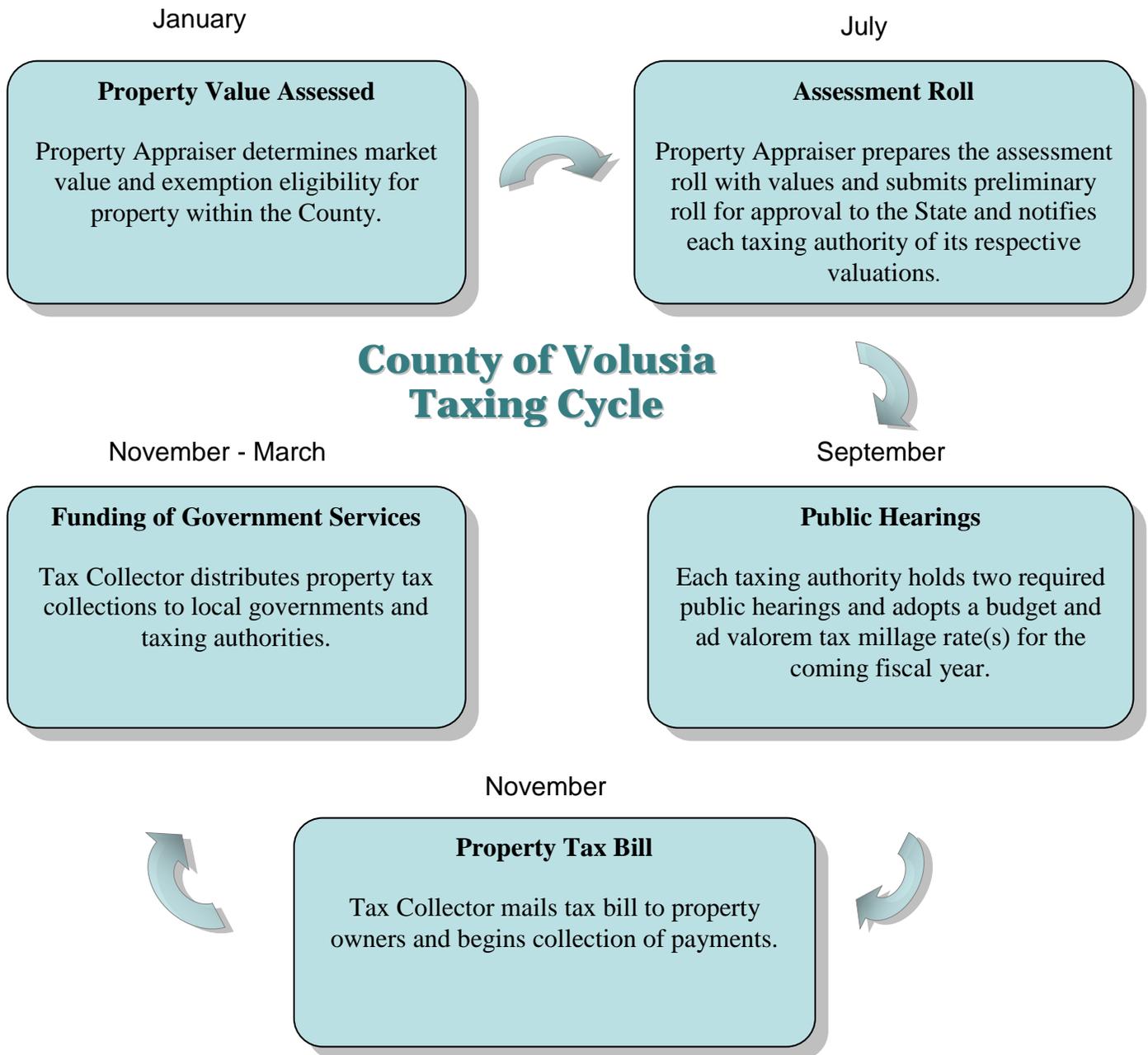
Passenger traffic at the airport since 2009 has increased over 55 percent. The airport has 630,000 passengers traveling through the facility on an annual basis (prior to JetBlue), compared to 400,000 passengers in 2009. The load factors (i.e. the total percentage of seats that are filled) for DBIA average over 92 percent which is above the national average of 84 percent. By comparison, the average load factor for the airport in 2009 was 82 percent.

DBIA has completed the design of the new Aircraft Rescue and Fire Fighting station; construction will begin in fiscal year 2016. Initial planning and schematic conceptual designs have been prepared to upgrade and rehabilitate the 23 year old terminal. A new ten year parking agreement has been finalized between Republic Parking and DBIA guaranteeing the airport a minimum of \$14.3 million per year or 86 percent of gross receipts, whichever is greater. The agreement also provides for parking improvements including a new parking revenue control system, new sign packages, and renovated parking exit to include LED signage.

Major interstate transportation improvements in Volusia County include: Eighty-five percent completion of the \$138 million Interstate 4 widening project and 90 percent completion of the \$118 million Interstate 95 widening project. Ongoing construction projects include widening of State Road 415 (\$51 million), US Highway 92 pedestrian improvements (\$17 million), and Orange Avenue in Daytona Beach (\$43 million). The new \$44 million Veterans Memorial Bridge project over the Halifax River is scheduled to commence in 2016.

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 illicit comments and feedback from County citizens concerning the proposed budget and tax rates.



Revenues

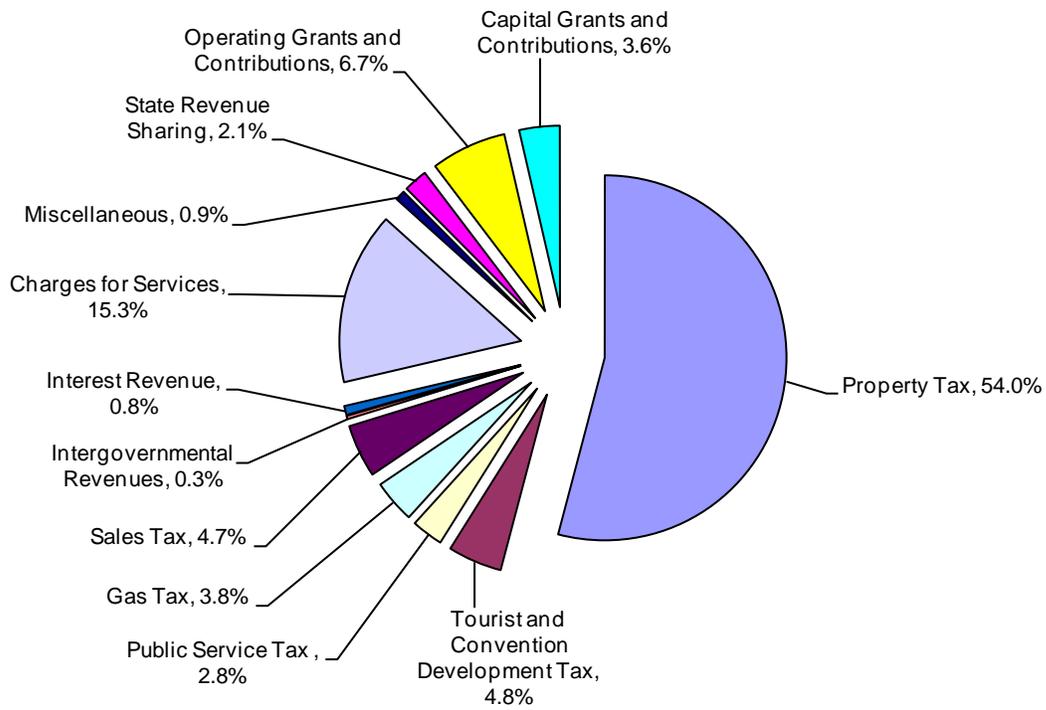
Comparison of Revenues Between Fiscal Years 2015, 2014 and 2013

	<u>Fiscal Year 2015</u>	<u>Fiscal Year 2014</u>	<u>Fiscal Year 2013</u>
(Amounts in Millions)			
Governmental activities:			
Property taxes	\$ 219	\$ 207	\$ 193
Sales tax	19	18	17
Public services tax	11	11	11
Gas tax	16	15	15
Tourist-related taxes	19	17	15
State revenue sharing	8	8	7
Investment earnings	3	2	(1)
Charges for services	62	62	59
Grants and contributions	41	36	30
Other revenues	5	5	5
Total governmental activities	<u>403</u>	<u>381</u>	<u>351</u>
Business-type activities:			
Refuse disposal	16	15	14
Daytona Beach International Airport	20	24	19
Volusia Transportation Authority	21	19	22
Water and sewer utilities	16	15	14
Parking garage	2	2	2
Garbage collection	8	8	8
Total business-type activities	<u>83</u>	<u>83</u>	<u>79</u>
	<u>\$ 486</u>	<u>\$ 464</u>	<u>\$ 430</u>

Revenues – Governmental Activities

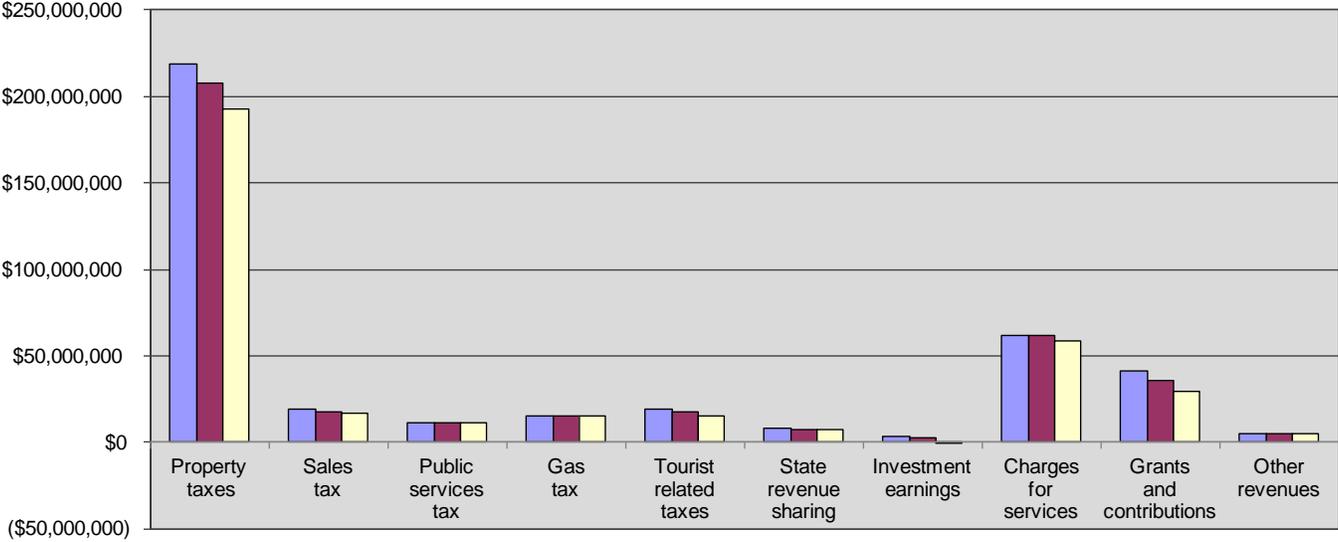
Governmental Activities are primarily supported by taxes, state shared revenues, or grants. These activities include the following functional areas: general government, public safety, physical environment, transportation, economic environment, health and social services, and culture/recreation. Revenues for the governmental activities increased by \$22,411,723 (5.9 percent) while governmental activities expenses decreased by \$5,807,808 (1.6 percent). Increases in property tax revenue (approximately \$11.7 million), capital grants and contributions (approximately \$4.8 million), tourist and convention development tax revenues (approximately \$2.0 million), sales tax revenue (approximately \$1.3 million) and interest revenues (\$1.3 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

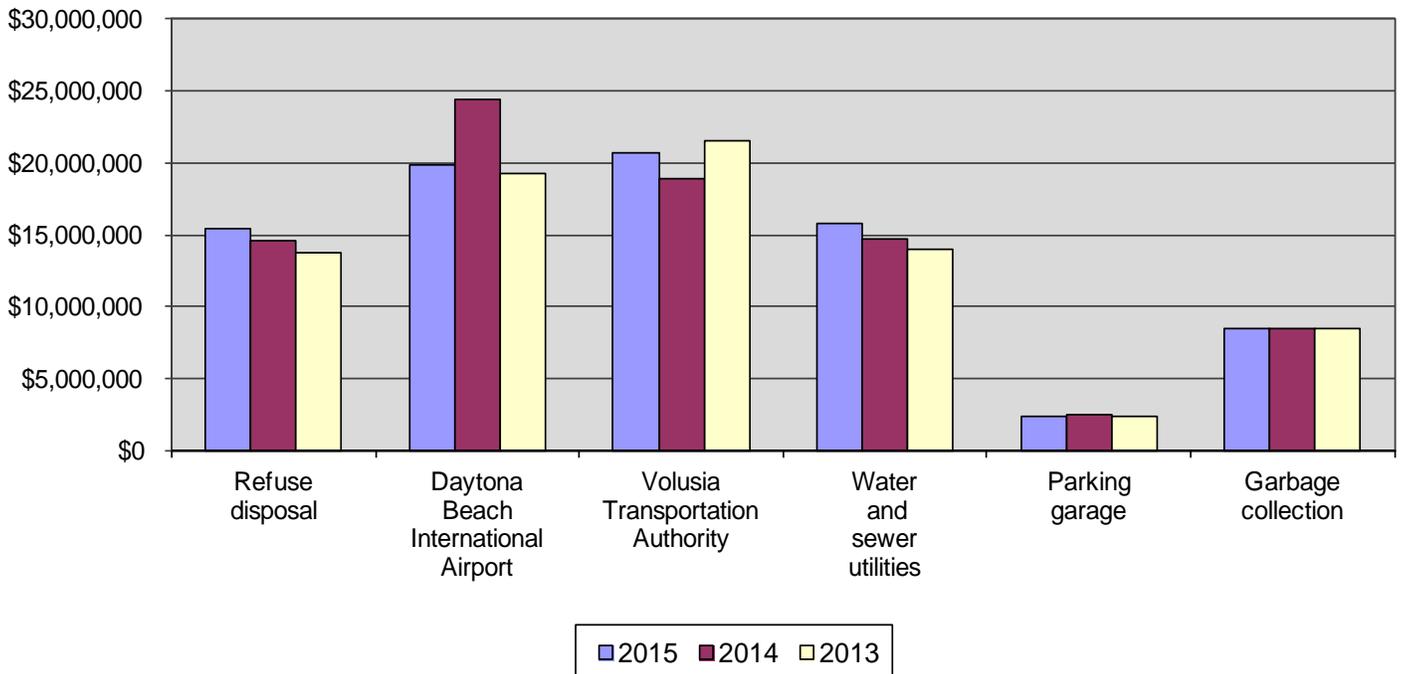


Revenues – Business-Type Activities

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.

In the refuse disposal activity, charges for services increased by approximately \$0.8 million, primarily due to revenue generated from increased waste disposed at the County’s landfill. The Daytona Beach International Airport (DBIA) experienced a net decrease in operating and capital grant funding of approximately \$4.9 million primarily due to major capital grant projects that were completed in the fiscal year 2014 which were not repeated in fiscal year 2015. Volusia Transportation Authority (VOTRAN) capital grants increased by \$2.6 million when compared to last year because 27 buses were purchased in fiscal year 2015 compared to 10 in fiscal year 2014. However, operating grants for VOTRAN decreased by approximately \$1.0 million due to a decrease in grant eligible expenses. The water and sewer activity revenue increased approximately \$0.8 million due to a new cost share grant with the St. Johns River Water Management District for construction of a reclaimed water main interconnect with the City of Sanford. This project was completed during fiscal year 2015. No other large increase 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 2015, 2014 and 2013

	<u>Fiscal Year 2015</u>	<u>Fiscal Year 2014</u>	<u>Fiscal Year 2013</u>
(Amounts in Millions)			
Governmental activities:			
General government	\$ 59	\$ 56	\$ 54
Public safety	158	162	154
Physical environment	6	6	6
Transportation	33	33	33
Economic environment	20	21	20
Human services	21	22	22
Culture/recreation	47	49	46
Interest on long-term debt	6	7	7
Total governmental activities	<u>350</u>	<u>356</u>	<u>342</u>
Business-type activities:			
Refuse disposal	12	13	15
Daytona Beach International Airport	18	17	16
Volusia Transportation Authority	25	24	24
Water and sewer utilities	14	13	13
Parking garage	2	2	3
Garbage collection	8	8	8
Total business-type activities	<u>79</u>	<u>77</u>	<u>79</u>
Total Expenses	<u>\$ 429</u>	<u>\$ 433</u>	<u>\$ 421</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, facilities, and information technology expenses.

Public safety includes the costs for sheriff, corrections, emergency management, fire services, medical examiner, emergency medical services, 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 controlling 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, social services, as well as animal and mosquito control.

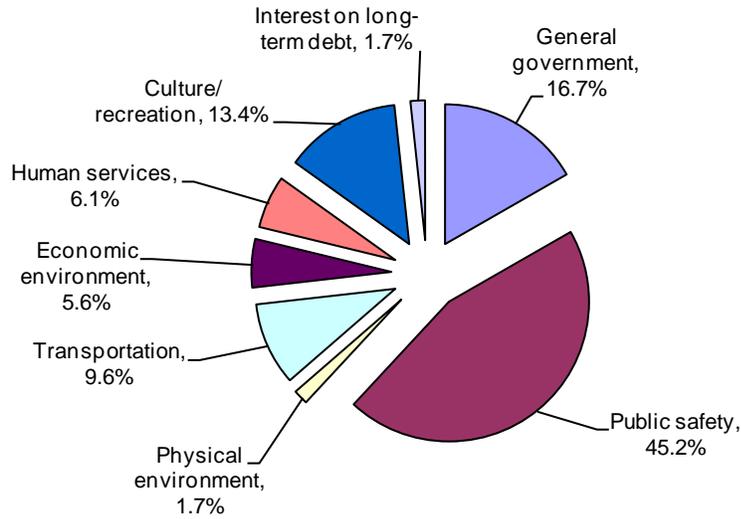
Culture/recreation expenses include costs related to libraries, parks, and recreational facilities.

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

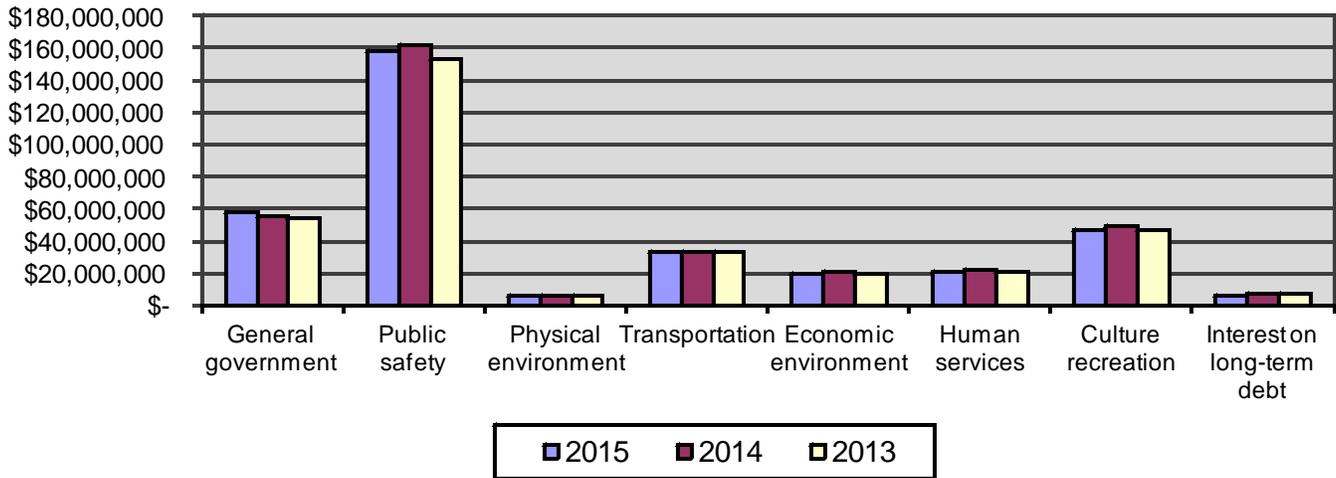
The cost of all governmental activities this year was \$349,987,977 compared to \$355,795,785 last year. The cost of all governmental activities this year decreased approximately \$5.8 million compared to last year. Decreases were experienced in all activities due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, which resulted in a \$10.2 million decrease in expenses 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 \$4.4 million compared to last year. The majority of this \$4.4 million increase, \$4.0 million, was experienced in the public safety activity. Increases were primarily due to a 3.5 percent pay adjustment (approximately \$2.1 million) and changes in required contributions to the County's medical insurance program (approximately \$1.7 million). The same increase in pay and health insurance was experienced by the other governmental activities; however, other operating savings offset most of these amounts.

Expenses – Governmental Activities

Expenses by Function/Program



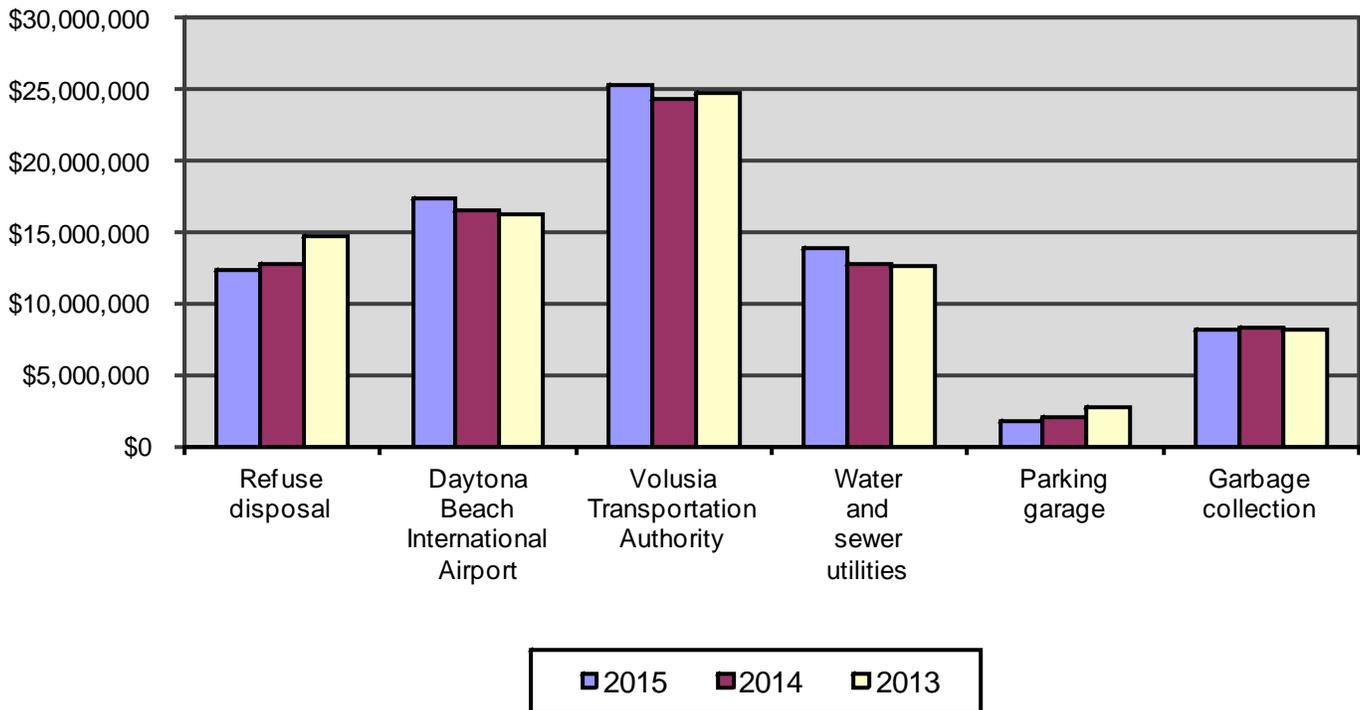
Comparison of Expenses by Function/Program-Last Three Fiscal Years



Expenses – Business-Type Activities

Business-type Activities expenses increased by \$2,329,825 or 3.0 percent, when compared to the prior fiscal year. Refuse disposal expenses were down by approximately \$0.4 million when compared to the prior fiscal year. The reduction is primarily due to a decrease in maintenance and repair costs for heavy equipment. DBIA experienced an approximate \$1 million increase in operating expenses for increased maintenance and repair costs (\$0.6 million) related to terminal air handler repairs, roof repairs, and apron drainage maintenance in addition to increased depreciation expense (\$0.4 million) from capital assets added in recent fiscal years. VOTRAN's expenses were up by approximately \$1 million in personal services mainly due to a wage increase along with an increase in worker's compensation and health insurance. The increase in expenses from last fiscal year for the water and sewer activity was approximately \$1.1 million, primarily due to the purchase and installation of new water meters, which utilize radio frequency rather than manual reading to gather water usage amounts. Parking garage expenses decreased by approximately \$0.2 million due to reductions in maintenance costs versus the prior year.

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 represent 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 2015, 2014, and 2013 is provided. Due to a change in accounting requirements 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 year 2015 when compared to the prior fiscal years.

Governmental Activities - Last Three Fiscal Years

(Amounts in Millions)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
ASSETS			
Cash and investments	\$ 324	\$ 313	\$ 315
Due from state/federal governments	17	16	14
Receivables and other current assets	16	15	16
Inventories and prepaid items	4	6	5
Net pension asset	2	-	-
Capital assets, net of depreciation	734	717	707
	<u>1,097</u>	<u>1,067</u>	<u>1,057</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>27</u>	<u>4</u>	<u>3</u>
LIABILITIES			
Accounts and contracts payable	15	13	11
Accrued interest payable	8	8	3
Other current liabilities	32	29	27
Notes and bonds, due within one year	18	16	16
Notes and bonds, due in more than one year	145	163	183
Net pension liability	123	-	-
Other long-term liabilities	51	48	44
	<u>392</u>	<u>277</u>	<u>284</u>
DEFERRED INFLOWS OF RESOURCES	<u>31</u>	<u>-</u>	<u>-</u>
NET POSITION (Equity)			
Net investment in capital assets	587	556	536
Net position, restricted	137	146	143
Net position, unrestricted	(23)	92	97
Total net position	<u>\$ 701</u>	<u>\$ 794</u>	<u>\$ 776</u>

Balance Sheet (cont.)

Business-Type Activities - Last Three Fiscal Years

(Amounts in Millions)

	2015	2014	2013
ASSETS			
Cash and investments	\$ 54	\$ 58	\$ 58
Due from state/federal governments	13	10	11
Receivables and other current assets	3	6	1
Inventories and prepaid items	5	4	1
Capital assets, net of depreciation	236	229	229
	<u>311</u>	<u>307</u>	<u>300</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>1</u>	<u>1</u>	<u>1</u>
LIABILITIES			
Accounts and contracts payable	4	3	5
Other current liabilities	3	3	3
Notes and bonds, due within one year	5	5	5
Notes and bonds, due in more than one year	37	42	47
Net pension liability	5	-	-
Other long-term liabilities	26	26	27
	<u>80</u>	<u>79</u>	<u>87</u>
DEFERRED INFLOWS OF RESOURCES	<u>1</u>	<u>-</u>	<u>-</u>
NET POSITION (Equity)			
Net investment in capital assets	194	181	176
Net position, restricted	10	7	7
Net position, unrestricted	27	41	31
Total net position	<u>\$ 231</u>	<u>\$ 229</u>	<u>\$ 214</u>

Balance Sheet (cont.)

County Total - Last Three Fiscal Years

(Amounts in Millions)

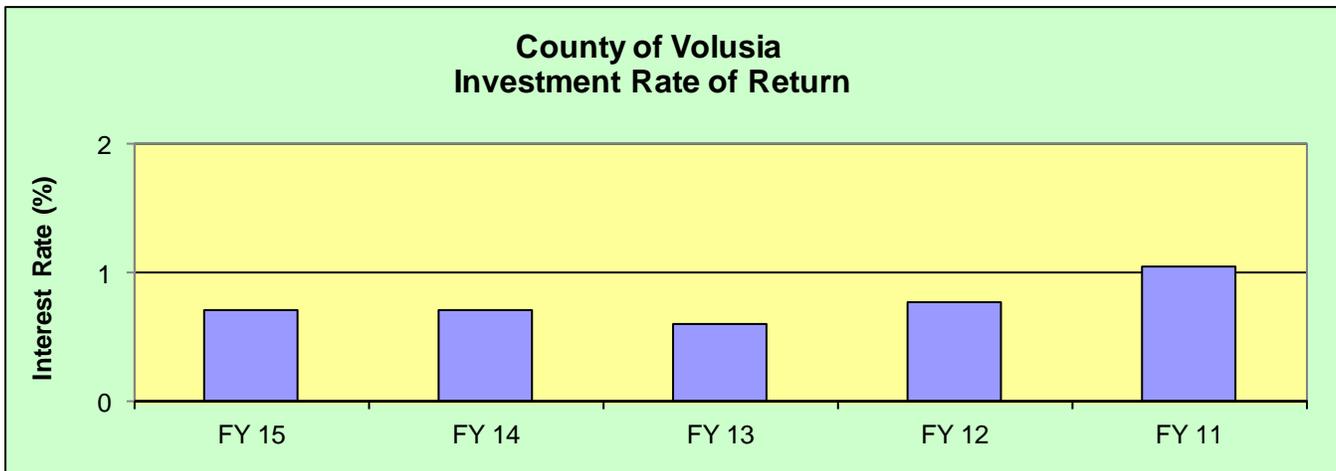
	<u>2015</u>	<u>2014</u>	<u>2013</u>
ASSETS			
Cash and investments	\$ 378	\$ 371	\$ 373
Due from state/federal governments	30	26	25
Receivables and other current assets	19	21	17
Inventories and prepaid items	9	10	6
Net pension asset	2	-	-
Capital assets, net of depreciation	970	946	936
	<u>1,408</u>	<u>1,374</u>	<u>1,357</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>28</u>	<u>5</u>	<u>4</u>
LIABILITIES			
Accounts and contracts payable	19	16	16
Accrued interest payable	8	8	3
Other current liabilities	35	32	30
Notes and bonds, due within one year	23	21	21
Notes and bonds, due in more than one year	182	205	230
Net pension liability	128	-	-
Other long-term liabilities	77	74	71
	<u>472</u>	<u>356</u>	<u>371</u>
DEFERRED INFLOWS OF RESOURCES	<u>32</u>	<u>-</u>	<u>-</u>
NET POSITION (Equity)			
Net investment in capital assets	781	737	712
Net position, restricted	147	153	150
Net position, unrestricted	4	133	128
Total net position	<u>\$ 932</u>	<u>\$ 1,023</u>	<u>\$ 990</u>

Cash & 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.

As projected, the Federal Reserve's Federal Open Market Committee (FOMC) maintained its exceptionally low interest rates until December of 2015 at which time it implemented a modest increase. Consequently, the County's average annual rate of return remained about the same from fiscal year 2014 to 2015 at 0.72 percent and 0.71 percent, respectively.

The chart below shows the County's rate of return on investments (excluding firefighter's pension plan) over the last five 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 agency, such as Fitch (Fitch) Ratings, Moody's (Moody's) Investors Service, and Standard & Poor's (S & P). 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.

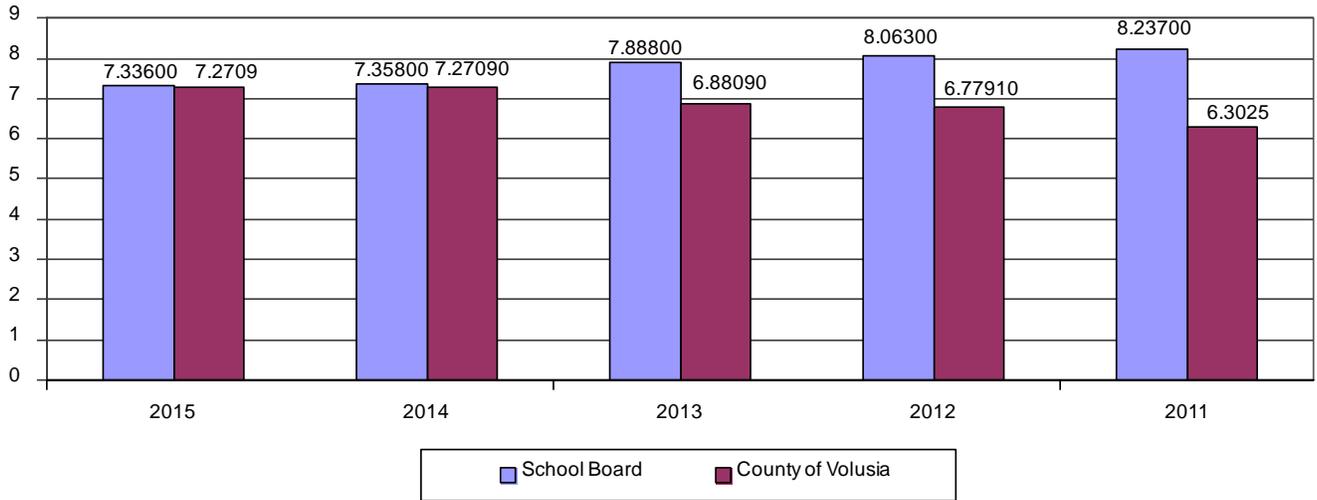
Overall, the County's outstanding debt, before issuance premiums, decreased by \$20,561,908, or 9.1 percent, during fiscal year 2015. The key factor in this decrease was scheduled principal retirements in the amount of \$21,331,908 which were offset by \$770,000 from the refinancing activity.

A comparison of the amount of long-term debt owed at the end of fiscal year 2015 to the same time period in 2014 and 2013 is presented below.

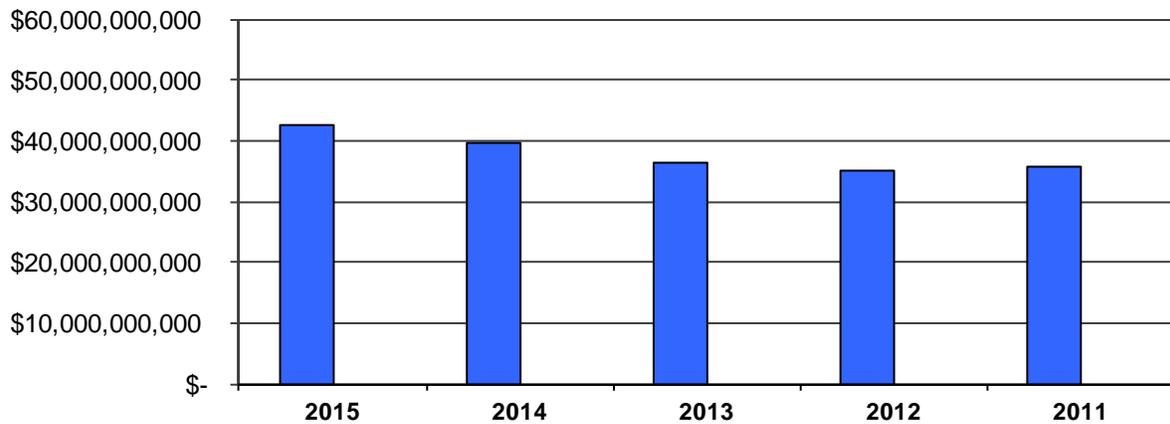
	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
(Amounts in Millions)			
Bonds payable:			
Revenue bonds	\$ 152	\$ 167	\$ 189
General obligation bonds	21	23	25
Notes payable	<u>32</u>	<u>36</u>	<u>32</u>
Total long-term liabilities	<u>\$ 205</u>	<u>\$ 226</u>	<u>\$ 246</u>
Long-term Debt Burden per Capita	\$ 403	\$ 446	\$ 502

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

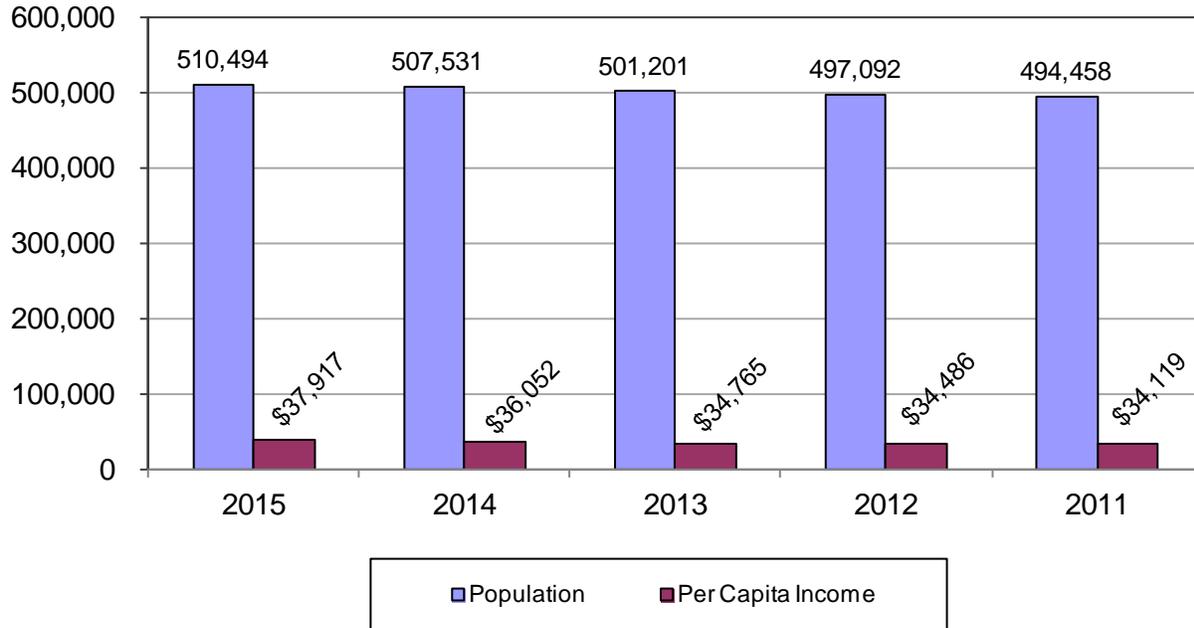
<u>Taxpayer</u>	<u>Type of Business</u>	<u>Fiscal Year 2015</u>	
		<u>2014 Taxable Value</u>	<u>Percent of Total Taxable Value</u>
Florida Power and Light Co.	Electric Utility	\$ 984,941,785	3.23
Duke Energy Florida, Inc.	Electric Utility	252,166,808	0.83
Ocean Walk II Condo Assoc.	Timeshare Sales	94,430,642	0.31
Wal-Mart Stores	Retail	84,152,103	0.28
BellSouth Telecommunication, LLC	Telephone	80,270,253	0.26
Bright House Networks, LLC	Entertainment/Cablevision	77,979,930	0.26
Covidien, LTD	Manufacturing	56,303,938	0.18
Publix Super Markets, Inc.	Retail Sales/Grocery	56,261,949	0.18
HHA Borrower, LLC	Real Estate Developer	50,225,742	0.16
Volusia Mall LLC	Retail Sales/Mall	49,298,283	0.16
Subtotal Principal Taxpayers		1,786,031,433	5.85
All Other Taxpayers		28,735,956,909	94.15
Total		\$ 30,521,988,342	100.00

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>
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	207,450,722	96.78
2013	199,370,428	191,947,692	96.28	968,827	192,916,519	96.71
2012	200,117,280	192,563,133	96.23	366,868	192,930,001	96.41
2011	204,425,940	196,921,200	96.33	1,064,029	197,985,229	96.85

Demographics

Comparison of Population and Per Capita Income Last Five Fiscal Years



Ten Largest Employers in Fiscal Year 2015

<u>Employer</u>	<u>Number of Employees</u>	<u>Percent of Total Employment</u>
Volusia County School Board	7,742	3.25
Halifax Health	4,294	1.80
County of Volusia	3,333	1.40
Florida Hospital - All Divisions	4,040	1.70
Publix Supermarkets Incorporated	3,241	1.36
Wal-Mart Stores Incorporated	1,875	1.16
State of Florida	2,758	0.79
Daytona State College	1,711	0.72
Embry-Riddle Aeronautical University	1,483	0.62
U.S. Government	1,216	0.51
Total	<u>31,693</u>	<u>13.31</u>

Interesting Facts

Did you know that Volusia County.....

- ② offers 54 parks that total 11,929 acres that include 274 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
- ② has 47 miles of beaches on the Atlantic Ocean, including one of the few places you are able to drive on the beach
- ② has Blue Springs and DeLeon Springs state parks that have swimming and recreation in and around the fresh water springs
- ② is home to the world-famous Daytona 500 NASCAR race, headquarters of the Ladies Professional Golf Association (LPGA), and official American home of the London Symphony Orchestra
- ② has a Marine Science Center that includes rehabilitation services for sea turtles and birds along with offering tours and educational opportunities for all ages
- ② 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
- ② owns and operates the Daytona Beach International Airport which had 2,919 scheduled flights last year, with over 622,000 passengers arriving and departing the airport
- ② 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 115 events with over 238,000 attendees
- ② has a library system that provided over 4.1 million circulation materials to members of the public, in addition, 4.1 million users took advantage of the electronic resources available
- ② offers enrollment in its Citizens Academy designed to educate and inform citizens about County government functions
- ② 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
- ② provides an email notification service created to disperse updates from the county manager's office, emergency management, Ocean Center, parks and recreation, permit center, University of Florida/Volusia County Extension, revenue services and the sheriff's office



