

**COUNTY OF VOLUSIA, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

|                                                                        |     |
|------------------------------------------------------------------------|-----|
| Title Page .....                                                       | iii |
| Acknowledgements .....                                                 | iv  |
| Table of Contents .....                                                | v   |
| Letter of Transmittal .....                                            | 1   |
| Certificate of Achievement for Excellence in Financial Reporting ..... | 7   |
| Principal County Officials .....                                       | 8   |
| Organizational Chart .....                                             | 10  |

**FINANCIAL SECTION**

|                                                                                                                            |     |
|----------------------------------------------------------------------------------------------------------------------------|-----|
| Independent Auditors' Report.....                                                                                          | 11  |
| Management's Discussion and Analysis .....                                                                                 | 13  |
| Basic Financial Statements:                                                                                                |     |
| Government-wide Financial Statements:                                                                                      |     |
| Statement of Net Assets .....                                                                                              | 30  |
| Statement of Activities .....                                                                                              | 32  |
| Fund Financial Statements:                                                                                                 |     |
| Balance Sheet – Governmental Funds .....                                                                                   | 34  |
| Statement of Revenues, Expenditures, and Changes in<br>Fund Balances – Governmental Funds.....                             | 38  |
| Statement of Revenues, Expenditures, and Changes in<br>Fund Balances – Budget and Actual – General Fund .....              | 42  |
| Statement of Revenues, Expenditures, and Changes in<br>Fund Balances – Budget and Actual – Municipal Service District..... | 44  |
| Statement of Revenues, Expenditures, and Changes in<br>Fund Balances – Budget and Actual – Federal and State Grants .....  | 46  |
| Statement of Net Assets – Proprietary Funds .....                                                                          | 48  |
| Statement of Revenues, Expenses, and Changes in<br>Fund Net Assets – Proprietary Funds .....                               | 52  |
| Statement of Cash Flows – Proprietary Funds .....                                                                          | 54  |
| Statement of Fiduciary Net Assets – Fiduciary Funds.....                                                                   | 58  |
| Statement of Changes in Fiduciary Net Assets – Fiduciary Funds.....                                                        | 59  |
| Statement of Net Assets – Component Units .....                                                                            | 61  |
| Statement of Activities – Component Units .....                                                                            | 62  |
| Notes to the Financial Statements .....                                                                                    | 65  |
| Required Supplementary Information:                                                                                        |     |
| Volunteer Firefighters Pension Plan .....                                                                                  | 114 |
| Other Post-Employment Benefit Plan.....                                                                                    | 115 |
| Supplementary Information:                                                                                                 |     |
| Combining Balance Sheet – Nonmajor Governmental Funds –<br>Special Revenue Funds.....                                      | 122 |
| Debt Service Funds .....                                                                                                   | 128 |
| Capital Projects Funds.....                                                                                                | 130 |
| Combining Balance Sheet – All Nonmajor Governmental Funds .....                                                            | 133 |

|                                                                                                                       |     |
|-----------------------------------------------------------------------------------------------------------------------|-----|
| Combining Statement of Revenues, Expenditures, and Changes in<br>Fund Balances – Nonmajor Governmental Funds –        |     |
| Special Revenue Funds .....                                                                                           | 134 |
| Debt Service Funds.....                                                                                               | 140 |
| Capital Projects Funds .....                                                                                          | 142 |
| Combining Statement of Revenues, Expenditures, and Changes in<br>Fund Balances – All Nonmajor Governmental Funds..... | 145 |
| Schedule of Revenues, Expenditures, and Changes in<br>Fund Balances – Budget and Actual –                             |     |
| Special Revenue Funds:                                                                                                |     |
| County Transportation Trust .....                                                                                     | 146 |
| Library .....                                                                                                         | 147 |
| East Volusia Mosquito Control District.....                                                                           | 148 |
| Resort Tax .....                                                                                                      | 149 |
| Sales Tax Trust.....                                                                                                  | 150 |
| Convention Development Tax .....                                                                                      | 151 |
| Ponce Inlet Port Authority .....                                                                                      | 152 |
| E-911 Emergency Telephone System .....                                                                                | 153 |
| Special Lighting Districts.....                                                                                       | 154 |
| Ocean Center .....                                                                                                    | 155 |
| Manatee Conservation.....                                                                                             | 156 |
| Road Impact Fees .....                                                                                                | 157 |
| Park Impact Fees.....                                                                                                 | 158 |
| Fire Services.....                                                                                                    | 159 |
| Fire Impact Fees.....                                                                                                 | 160 |
| Silver Sands/Bethune Beach Municipal Service District.....                                                            | 161 |
| Gemini Springs Addition .....                                                                                         | 162 |
| Stormwater Utility.....                                                                                               | 163 |
| Volusia ECHO.....                                                                                                     | 164 |
| Volusia Forever.....                                                                                                  | 165 |
| Law/Beach Enforcement Trust .....                                                                                     | 166 |
| Federal Forfeiture Sharing.....                                                                                       | 167 |
| State Housing Incentive Program (S.H.I.P.) .....                                                                      | 168 |
| Library Endowment.....                                                                                                | 169 |
| Corrections – Welfare Trust.....                                                                                      | 170 |
| Debt Service Funds:                                                                                                   |     |
| Limited Tax General Obligation Bonds .....                                                                            | 171 |
| Subordinate Lien Sales Tax Revenue Bonds .....                                                                        | 172 |
| Gas Tax Revenue Bonds.....                                                                                            | 173 |
| Tourist Development Tax Refunding Revenue Bonds.....                                                                  | 174 |
| Capital Improvement Revenue and Refunding Bonds.....                                                                  | 175 |
| Notes Payable .....                                                                                                   | 176 |
| Schedule of Revenues, Expenditures, and Changes in<br>Fund Balances – Budget and Actual – From Inception –            |     |
| Capital Projects Funds:                                                                                               |     |
| Volusia Forever.....                                                                                                  | 177 |
| Ocean Center Expansion .....                                                                                          | 178 |
| Bond Funded Road Program.....                                                                                         | 179 |
| Volusia County Courthouse Construction.....                                                                           | 180 |
| Beach .....                                                                                                           | 181 |
| Trails .....                                                                                                          | 182 |
| Information Technology .....                                                                                          | 183 |
| Deltona Library Expansion.....                                                                                        | 184 |
| DeLand Complex .....                                                                                                  | 185 |
| Branch Jail .....                                                                                                     | 186 |
| Parks.....                                                                                                            | 187 |
| Other .....                                                                                                           | 188 |

|                                                                                                             |     |
|-------------------------------------------------------------------------------------------------------------|-----|
| Combining Statement of Net Assets – Internal Service Funds.....                                             | 190 |
| Combining Statement of Revenues, Expenses, and Changes in<br>Fund Net Assets – Internal Service Funds ..... | 192 |
| Combining Statement of Cash Flows – Internal Service Funds .....                                            | 194 |
| Schedule of Changes in Assets and Liabilities – All Agency Funds.....                                       | 200 |

## STATISTICAL SECTION

|                                                                                                                 |     |
|-----------------------------------------------------------------------------------------------------------------|-----|
| Schedule 1 Primary Government Net Assets By Component – Last Ten Fiscal Years.....                              | 204 |
| Schedule 2 Changes in Net Assets – Last Ten Fiscal Years .....                                                  | 206 |
| Schedule 3 Fund Balances – Governmental Funds – Last Ten Fiscal Years .....                                     | 210 |
| Schedule 4 Changes in Fund Balances – Governmental Funds – Last Ten Fiscal Years .....                          | 212 |
| Schedule 5 Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years.....                     | 214 |
| Schedule 6 Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years .....                              | 216 |
| Schedule 7 Principal Property Taxpayers – Current Year and Nine Years Ago.....                                  | 218 |
| Schedule 8 Property Tax Levies and Collections – Last Ten Fiscal Years .....                                    | 219 |
| Schedule 9 Ratios of Outstanding Debt By Type – Last Ten Fiscal Years.....                                      | 220 |
| Schedule 10 Ratios of Net General Bonded Debt Outstanding – Last Ten Fiscal Years.....                          | 222 |
| Schedule 11 Computation of Direct and Overlapping Debt of Underlying Governments –<br>September 30, 2010.....   | 223 |
| Schedule 12 Legal Debt Margin Information – September 30, 2010.....                                             | 224 |
| Schedule 13 Pledged Revenue Coverages – Last Ten Fiscal Years.....                                              | 226 |
| Schedule 14 Demographic Statistics – Last Ten Fiscal Years .....                                                | 234 |
| Schedule 15 Principal Employers – Current Year and Seven Years Ago .....                                        | 235 |
| Schedule 16 Full-Time Equivalent County Government Employees by Function/Program<br>Last Ten Fiscal Years ..... | 236 |
| Schedule 17 Operating Indicators By Function/Program – Last Seven Fiscal Years.....                             | 238 |
| Schedule 18 Capital Asset Statistics By Functional Department – Last Seven Fiscal Years.....                    | 240 |

## COMPLIANCE SECTION

|                                                                                                                                                                                                                                                                                                                                                               |     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based<br>on an Audit of Financial Statements Performed in Accordance<br>with <i>Government Auditing Standards</i> .....                                                                                                                                               | 243 |
| Schedule of Expenditures of Federal Awards and State Financial Assistance .....                                                                                                                                                                                                                                                                               | 246 |
| Schedule of Findings and Questioned Costs .....                                                                                                                                                                                                                                                                                                               | 253 |
| Schedule of Passenger Facility Charges (PFC) Collected and Expended.....                                                                                                                                                                                                                                                                                      | 256 |
| Report on Compliance with Requirements Applicable to Each Major Federal Program,<br>Each Major State Project, and Passenger Facility Charge Program and on Internal Control<br>Over Compliance in Accordance with OMB Circular A-133, Chapter 10.550,<br>Rules of the Auditor General, and Passenger Facility Charge<br>Audit Guide for Public Agencies ..... | 257 |
| Independent Auditors' Management Letter Required by Chapter 10.550, Rules of the State of Florida<br>Office of the Auditor General.....                                                                                                                                                                                                                       | 259 |
| Management Responses to the Auditors Report on Internal Control Over Financial Reporting .....                                                                                                                                                                                                                                                                | 263 |