

NOTE 6. LONG-TERM DEBT

A. Summary of Bond Resolutions:

The following is a summary of bond resolutions pertaining to debt reflected on the September 30, 1998 balance sheet:

(1) General Obligation Bonds

NAME: \$18,805,000 Limited Tax General Obligation Refunding Bonds, Series 1992

DATED: January 1992

FINAL MATURITY: July 1, 2004

PRINCIPAL PAYMENT DATE: July 1

INTEREST PAYMENT DATE: July 1 and January 1

INTEREST RATES: 4.90% to 5.88%

RESERVE REQUIREMENT: N/A

REVENUE PLEDGED: Levy of an ad valorem tax on all taxable property in the County not to exceed one-quarter of one mil each year.

PURPOSE: To provide sufficient funds to advance refund the County's \$3,500,000 General Obligation Bonds, Series 1987, and \$16,500,000 Limited Obligation Bonds, Series 1988.

(2) Revenue Bonds:

NAME: \$33,530,000 Tourist Development Tax Refunding Revenue Bonds, Series 1993

DATED: March 1993

FINAL MATURITY: December 1, 2013

PRINCIPAL PAYMENT DATE: December 1

INTEREST PAYMENT DATE: December 1 and June 1

INTEREST RATES: 3.70% to 5.25%

RESERVE REQUIREMENT: The requirement is specified by bond resolution to be at least equal to \$2,595,283.

REVENUE PLEDGED: Tourist Development Tax, the net operating revenues of the civic center operations, certain investment earnings, and pledge of funds made by the City of Daytona Beach, Florida.

PURPOSE: To provide moneys to finance the cost of advance refunding the County's outstanding Tourist Development Tax Refunding Revenue Bonds, Series 1986.

NAME: \$1,839,335 Service Fee Limited Revenue Bonds, Series 1989

DATED: March 1989

FINAL MATURITY: April 15, 2009

PRINCIPAL PAYMENT DATE: April 15, 2009

INTEREST PAYMENT DATE: April 15 and October 15

INTEREST RATES: 8.00%

RESERVE REQUIREMENT: N/A

REVENUE PLEDGED: Portion of the service fee levied by the Clerk of the Circuit Court on all summary procedures cases.

PURPOSE: To provide funds for the purchase of land in east Volusia County.

NAME: \$37,170,000 Sales Tax Improvement Refunding Revenue Bonds, Series 1991A
DATED: January 1992
FINAL MATURITY: October 1, 2010
PRINCIPAL PAYMENT DATE: October 1
INTEREST PAYMENT DATE: October 1 and April 1
INTEREST RATES: 5.00% to 6.40%
RESERVE REQUIREMENT: N/A
REVENUE PLEDGED: Local Government Half-Cent Sales Tax.
PURPOSE: To provide sufficient funds to advance refund the County's outstanding Sales Tax Improvement Refunding Revenue Bonds, Series 1986A and Sales Tax Improvement Revenue Bonds, Series 1986B and 1986C.

NAME: \$5,640,000 Gas Tax Revenue Bonds, Series 1992
DATED: September 1992
FINAL MATURITY: December 1, 2005
PRINCIPAL PAYMENT DATE: December 1
INTEREST PAYMENT DATE: June 1 and December 1
INTEREST RATES: 5.00% to 6.40%
RESERVE REQUIREMENT: N/A
REVENUE PLEDGED: Proceeds of the County's Ninth-Cent Voted Gas Tax on motor fuel and special fuel.
PURPOSE: To fund construction of the East Coast Beltline project.

NAME: \$46,030,000 Airport System Revenue Bonds, Series 1991 (\$11,790,000 refunded in 1993)
DATED: May 1991
FINAL MATURITY: October 1, 2021
PRINCIPAL PAYMENT DATE: October 1
INTEREST PAYMENT DATE: October 1 and April 1
INTEREST RATES: 5.70% to 7.00%
RESERVE REQUIREMENT: The requirement is specified by bond resolution to be at least equal to \$2,841,470.
REVENUE PLEDGED: Net revenues generated by the operations of the Airport and investment earnings.
PURPOSE: The proceeds will be used to pay a portion of the cost of certain capital improvements at the Daytona Beach International Airport.

NAME: \$13,365,000 Airport System Revenue Refunding Bonds, Series 1993
DATED: August 1, 1993
FINAL MATURITY: October 1, 2021
PRINCIPAL PAYMENT DATE: October 1
INTEREST PAYMENT DATE: October 1 and April 1
INTEREST RATES: 3.60% to 5.70%
RESERVE REQUIREMENT: The requirement is specified by bond resolution to be at least equal to \$954,488.
REVENUE PLEDGED: Net revenues generated by the operations of the Airport and investment earnings.
PURPOSE: To provide sufficient funds to advance refund a portion of the County's outstanding Airport System Revenue Bonds, Series 1991.

NAME: \$9,905,000 Sales Tax Improvement Refunding Revenue Bonds, Series 1993
DATED: August 15, 1993
FINAL MATURITY: October 1, 2021
PRINCIPAL PAYMENT DATE: October 1
INTEREST PAYMENT DATE: October 1 and April 1
INTEREST RATES: 3.60% to 5.38%
RESERVE REQUIREMENT: N/A
REVENUE PLEDGED: Local Government Half-Cent Sales Tax.
PURPOSE: To provide sufficient funds to advance refund the County's outstanding Sales Tax Improvement Revenue Bonds, Series 1991.

NAME: \$17,625,000 Sales Tax Improvement Revenue Bonds, Series 1994
DATED: June 1, 1994
FINAL MATURITY: October 1, 2014
PRINCIPAL PAYMENT DATE: October 1
INTEREST PAYMENT DATE: October 1 and April 1
INTEREST RATES: 4.00% to 5.75%
RESERVE REQUIREMENT: N/A
REVENUE PLEDGED: Local Government Half-Cent Sales Tax.
PURPOSE: To finance the cost of acquiring, constructing, and equipping certain capital improvements.

NAME: \$14,280,000 Guaranteed Entitlement Revenue Bonds, Series 1994
DATED: May 1, 1994
FINAL MATURITY: October 1, 2004
PRINCIPAL PAYMENT DATE: October 1
INTEREST PAYMENT DATE: October 1 and April 1
INTEREST RATES: 4.00% to 5.00%
RESERVE REQUIREMENT: N/A
REVENUE PLEDGED: Guaranteed Entitlement Revenues portion of State Revenue Sharing and a surcharge levied on every moving violation in the County.
PURPOSE: To provide sufficient funds to acquire, construct, and install an 800 MHZ communication system.

NAME: \$7,470,000 Water and Sewer Revenue Refunding and Improvement Bonds, Series 1993
DATED: December 1, 1993
FINAL MATURITY: October 1, 2019
PRINCIPAL PAYMENT DATE: October 1
INTEREST PAYMENT DATE: October 1 and April 1
INTEREST RATES: 3.50% to 5.25%
RESERVE REQUIREMENT: N/A
REVENUE PLEDGED: Net revenues derived from the operation of the County's Water and Sewer System, Connection Fees, and investment earnings.
PURPOSE: To provide funds sufficient to advance refund a portion of the County's outstanding Water and Sewer Bonds, Series 1989 and to finance the cost of acquisition and construction of certain capital improvements to the system.

NAME: \$10,000,000 Sales Tax Improvement Revenue Bonds, Series 1996
DATED: October 1, 1996
FINAL MATURITY: October 1, 2016
PRINCIPAL PAYMENT DATE: October 1
INTEREST PAYMENT DATE: October 1 and April 1
INTEREST RATES: 3.60% to 5.50%
RESERVE REQUIREMENT: N/A
REVENUE PLEDGED: Local Government Half-Cent Sales Tax.
PURPOSE: To finance the cost of acquiring, constructing, and equipping certain capital improvements.

NAME: \$5,085,000 Water and Sewer Refunding Revenue Bonds, Series 1998
DATED: July 1, 1998
FINAL MATURITY: October 1, 2016
PRINCIPAL PAYMENT DATE: October 1
INTEREST PAYMENT DATE: October 1 and April 1
INTEREST RATES: 4.00% to 4.88%
RESERVE REQUIREMENT: N/A
REVENUE PLEDGED: Net revenues derived from the operation of the County's Water and Sewer System, Connection Fees, and investment earnings.
PURPOSE: To provide funds sufficient to advance refund the remaining portion of the County's outstanding Water and Sewer Bonds, Series 1989.

(3) Other Bonds:

NAME: \$2,735,000 Special Assessment Improvement Bonds, Series 1995
DATED: April 15, 1995
FINAL MATURITY: July 1, 2005
PRINCIPAL PAYMENT DATE: July 1
INTEREST PAYMENT DATE: January 1 and July 1
INTEREST RATES: 6.25% to 6.88%
RESERVE REQUIREMENT: The requirement is specified by bond resolution to be at least equal to \$273,500 in cash, a letter of credit, surety bond, or similar cash substitute.
REVENUE PLEDGED: The Special Assessment Proceeds including interest and penalties collected by the County against properties specially benefitted by the acquisition and construction of the Bethune Beach Wastewater project.
PURPOSE: To provide sufficient funds to acquire, construct, and install certain capital improvements including sanitary sewers, lift stations, force mains, and other related improvements for the development of a central wastewater collection and transmission system to service the properties within the Bethune Beach Special Assessment District.

B. Long-Term Notes Payable

Long-term notes payable are comprised of the following:

NOTES PAYABLE	INTEREST RATE	INTEREST PAYABLE	FINAL MATURITY DATE	ANNUAL PRINCIPAL PAYMENT (IN THOUSANDS)	AMOUNT OUTSTANDING 09/30/98
GENERAL LONG-TERM DEBT					
PRIMARY GOVERNMENT:					
90-Day Promissory Note to SunTrust Bank for emergency funds for wildfire expenses	0%	N/A	11/12/98	\$2,000	\$2,000,000
Installment purchase agreement with General Electric Leasing for purchase of computer and other equipment	5.00%	Monthly	01/30/01	\$306 - 504	1,288,838
Installment purchase agreement with Toshiba Leasing for computers	16.12%	Monthly	10/04/98	\$0	174
Installment purchase agreement with General Electric Leasing for purchase of computer and other equipment	4.68%-4.94%	Monthly	11/18/98	\$14	14,046
Installment purchase agreement with General Electric Leasing for purchase of computer and other equipment	6.14%-6.37%	Monthly	12/16/99	\$233	293,187
Installment purchase agreement with General Electric Leasing for purchase of computer and other equipment	5.17%	Monthly	12/30/99	\$408 - 1,581	1,989,924
Installment purchase agreement with Global Elections for purchase of election equipment	5.00%	Monthly	11/15/00	\$32 - 189	401,442
Installment purchase agreement with General Electric Leasing for purchase of helicopters	6.42%	Semi-annual	12/20/01	\$193 - 368	1,228,731
TOTAL PRIMARY GOVERNMENT					\$7,216,342
PROPRIETARY FUNDS					
PRIMARY GOVERNMENT:					
Airport Land Acquisition Program	0%	Unknown	Unknown	Unknown	\$4,202,025
Wastewater Facilities Revolving Loan Program	3.24%	Semi-annual	08/15/20	Unknown	2,346,942
Installment purchase agreement with General Electric Leasing for purchase of computer and other equipment	5.17%	Monthly	12/30/99	\$70	85,180
Upgrade of the Deltona North Water Reclamation Facility with the State of Florida	2.99%	Semi-annual	06/15/17	\$77 - 115	1,699,328
TOTAL PRIMARY GOVERNMENT					\$8,333,475

The annual requirements to amortize all primary government debt outstanding as of September 30, 1998, including interest payments of \$105,804,725, are as follows:

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GENERAL LONG-TERM DEBT							
FISCAL YEAR	LIMITED OBLIGATION BONDS		REVENUE AND OTHER BONDS		NOTES PAYABLE		TOTAL PRINCIPAL AND INTEREST
	Principal	Interest	Principal	Interest	Principal	Interest	
1999	\$1,585,000	\$547,298	\$6,070,000	\$5,908,897	\$4,809,784	\$216,468	\$19,137,447
2000	1,670,000	461,708	6,365,000	5,606,176	1,506,229	87,804	15,696,917
2001	1,760,000	369,858	6,650,000	5,278,651	706,600	30,485	14,795,594
2002	1,860,000	269,538	6,950,000	4,928,531	193,729	3,827	14,205,625
2003	1,970,000	161,658	7,265,000	4,554,134	0	0	13,950,792
2004-2008	790,000	46,413	33,785,000	17,026,753	0	0	51,648,166
2009-2013	0	0	31,494,335	7,341,025	0	0	38,835,360
2014-2018	0	0	10,495,000	1,539,130	0	0	12,034,130
2019-2023	0	0	2,435,000	270,766	0	0	2,705,766
Total Primary Government	\$9,635,000	\$1,856,473	\$111,509,335	\$52,454,063	\$7,216,342	\$338,584	\$183,009,797

PROPRIETARY FUND DEBT					TOTAL GENERAL LONG-TERM DEBT AND PROPRIETARY FUND DEBT PRINCIPAL AND INTEREST	
FISCAL YEAR	REVENUE BONDS		NOTES PAYABLE			TOTAL PRINCIPAL AND INTEREST
	Principal	Interest	Principal	Interest		
1999	\$955,000	\$3,517,079	\$135,279	\$53,122	\$4,660,480	\$23,797,927
2000	1,225,000	3,398,844	87,090	48,424	4,759,358	20,456,275
2001	1,340,000	3,328,239	71,709	46,176	4,786,124	19,581,718
2002	1,415,000	3,252,131	73,869	44,016	4,785,016	18,990,641
2003	1,495,000	3,170,106	76,095	41,790	4,782,991	18,733,783
2004-2008	8,790,000	14,404,761	416,270	173,157	23,784,188	75,432,354
2009-2013	11,730,000	11,262,435	482,860	106,566	23,581,861	62,417,221
2014-2018	15,820,000	6,871,979	441,336	30,205	23,163,520	35,197,650
2019-2023	14,685,000	1,406,575	0	0	16,091,575	18,797,341
TOTAL	57,455,000	50,612,149	1,784,508	543,456	110,395,113	293,404,910
LESS: Unamortized Bond Costs	3,671,782	0	0	0	3,671,782	3,671,782
TOTAL PRIMARY GOVERNMENT	\$53,783,218	\$50,612,149	\$1,784,508	\$543,456	\$106,723,331	\$289,733,128

In addition, the County entered into the following two loan agreements with the State of Florida:

- ! To finance the acquisition of land adjacent to the Daytona Beach International Airport. The total loan authorized by the State of Florida for the Airport land acquisition program is \$11,297,250.

As of September 30, 1998, the County had requested and received \$4,202,025 of the total amount authorized. The terms of this non-interest bearing loan agreement requires the County to repay a portion of the loan upon completion of the land acquisition program and whenever federal funds are received in future periods.

- ! To finance the planning, design, administrative, and construction activities of the wastewater collection, transmission, treatment, and reclaimed water reuse facilities at the Southeast Volusia Wastewater Facilities. The total of the Wastewater Facilities loan agreement is \$4,178,903 with an outstanding balance of \$2,346,942 at September 30, 1998. The loan repayment schedules shall depend upon whether an amendment to the loan agreement is executed for additional funds for post-allowance project costs. The rate of interest on the unpaid principal of the loan is 3.24% per annum, and the loan shall be repaid in forty semiannual payments with the first payment to begin no earlier than August 15, 2000.

C. Advanced Refunding

On July 1, 1998 the County issued \$5,085,000 in Water and Sewer Revenue Refunding Revenue Bonds with an average interest rate of 4.268% to refund \$4,475,000 in Water and Sewer Revenue Bonds, Series 1989 with an average interest rate of 6.783%. The refunding of the Water and Sewer Revenue Bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$248,891. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2018 using the effective-interest method in accordance with the provisions set forth in GASB Statement No. 23. The County completed the refunding to reduce its total debt service payments over the next 20 years by \$738,843 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$411,242.

D. Defeased Debt

The County has defeased certain general obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. At September 30, 1998, \$24,010,000 of bonds outstanding are considered defeased and were comprised of the following:

Airport System Revenue Bonds, Series 1991	11,250,000
Sales Tax Improvement Revenue Bonds, Series 1991	8,285,000
Water and Sewer Revenue Bonds, Series 1989	4,475,000
TOTAL	\$24,010,000

NOTE 7. GENERAL LONG-TERM DEBT

Changes in General Long-Term Debt

A summary of changes in general long-term debt follows:

COUNTY OF VOLUSIA
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PRIMARY GOVERNMENT	BALANCE 09/30/97	NOTES PAYABLE		BONDS	ACCRUED COMPENSATED ABSENCES		JUDGEMENTS PAYABLE		BALANCE 09/30/98
		ISSUED	RETIRED	RETIRED	EARNED	USED	AWARDED	OTHER	
Notes Payable	\$6,498,021	\$3,570,672	\$2,852,351	\$0	\$0	\$0	\$0	\$0	\$7,216,342
Compensated Absences	12,331,888	0	0	0	6,207,134	5,545,320	0	0	12,993,702
Limited Obligation Bonds Payable	11,140,000	0	0	1,505,000	0	0	0	0	9,635,000
Revenue Bonds Payable	115,449,335	0	0	5,590,000	0	0	0	0	109,859,335
Other Bonds Payable	2,000,000	0	0	350,000	0	0	0	0	1,650,000
Judgements Payable	0	0	0	0	0	0	1,100,000	0	1,100,000
Net Pension Obligation	0	0	0	0	0	0	0	19,404	19,404
TOTAL PRIMARY GOVERNMENT	\$147,419,244	\$3,570,672	\$2,852,351	\$7,445,000	\$6,207,134	\$5,545,320	\$1,100,000	\$19,404	\$142,473,783

COMPONENT UNITS	BALANCE 09/30/97	NOTES PAYABLE		ACCRUED COMPENSATED ABSENCES		BALANCE 09/30/98
		ISSUED	RETIRED	EARNED	USED	
Notes Payable	\$83,210	\$0	\$83,210	\$0	\$0	\$0
Compensated Absences	457,002	0	0	63,547	0	520,549
TOTAL COMPONENT UNITS	\$540,212	\$0	\$83,210	\$63,547	\$0	\$520,549

NOTE 8. CONDUIT DEBT OBLIGATIONS

A. Four authorities have been established for the sole purpose of providing financial assistance to private-sector entities to acquire or construct equipment and facilities deemed to be in the public interest. The four authorities and their purposes are:

- **Volusia County Health Facilities Authority** - provide financing for health care facilities and services available to the citizens of Volusia County.
- **Volusia County Housing Finance Authority** - provide financing to alleviate the shortage of affordable rental housing and residential housing facilities for low and moderate income families and persons, and to provide capital for investment in such housing facilities.
- **Volusia County Industrial Development Authority** - provide financing for the purpose of fostering economic development within Volusia County.
- **Volusia County Educational Facilities Authority** - provide financing for higher education projects required or useful for the instruction of students or the operation of an institution of higher education in Volusia County.

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Bonds issued by the authorities are not deemed to constitute a debt of the County of Volusia, the State of Florida, or any political subdivision thereof. Bonds or other debt obligations are payable solely from the revenues or other resources pledged under the terms of the debt agreements.

A summary of outstanding issues at September 30, 1998 is comprised of the following:

AUTHORITY	NUMBER OF SERIES OUTSTANDING	AGGREGATE OUTSTANDING AT SEPTEMBER 30, 1998	
		ORIGINAL ISSUE	PRINCIPAL
Volusia County Health Facilities Authority	8	\$392,060,000	\$240,455,000
Volusia County Housing Finance Authority	15	150,164,000	(1)
Volusia County Industrial Development Authority	49	102,156,000	(1)
Volusia County Educational Facilities Authority	4	137,850,000	131,985,000

(1) Information not available from individual authorities

NOTE 9. EMPLOYEE RECEIVABLES

During the fiscal year ended September 30, 1977, and again in fiscal year 1986, the County changed its biweekly pay period ending dates. As a result of these changes, certain employees received double pay for days worked. The amount owed is deducted from the employee's final pay. At September 30, 1998, this receivable amounted to \$245,852. During the year ended September 30, 1987, the County established an employee computer purchase program. At September 30, 1998, the amount owed to the County was \$147,226. Both receivables are recorded as Employees Receivables and, since they do not represent an "available spendable resource," the General Fund's fund balance is reserved accordingly in the amount of \$393,078.