

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, 1999 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: 5.40% 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 mill 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: 4.20% 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: 5.60% 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: 6.15% 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: 4.50% 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: 4.30% 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: 4.60% 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: 4.60% 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: 4.13% 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: \$59,250,000 Subordinate Lien Sales Tax Improvement Revenue Bonds, Series 1998

DATED: September 1, 1998

FINAL MATURITY: October 1, 2018

PRINCIPAL PAYMENT DATE: October 1

INTEREST PAYMENT DATE: October 1 and April 1

INTEREST RATES: 4.00% to 5.13%

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 including a new court facility and to advance refund the County's \$10 million Sales Tax Improvement Revenue Bonds, Series 1996.

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: 6.60% 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 benefited 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 09/30/99
GENERAL LONG-TERM DEBT					
PRIMARY GOVERNMENT:					
Installment purchase agreement with General Electric Leasing for purchase of computers and other equipment.	5.00%	Monthly	01/30/01	\$306 - 504	\$809,538
Installment purchase agreement with General Electric Leasing for purchase of computers and other equipment	6.14% - 6.36%	Monthly	12/16/99	\$60	60,516
Installment purchase agreement with General Electric Leasing for purchase of computers and other equipment	5.17%	Monthly	12/30/99	\$408	408,314
Installment purchase agreement with Global Elections for purchase of election equipment	5.00%	Monthly	11/15/00	\$32 – 189	221,545
Installment purchase agreement with General Electric Leasing for purchase of helicopters	6.42%	Semi-annual	12/20/01	\$193 – 368	906,645
Installment purchase agreement with Fla. Assn. of Counties for purchase of computers and other equipment	4.11%	Monthly	09/01/02	\$1,308 – 1,400	4,032,000
TOTAL PRIMARY GOVERNMENT					\$6,438,558
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 computers and other equipment	5.17%	Monthly	12/30/99	\$17	17,478
Upgrade of the Deltona North Water Reclamation Facility with the State of Florida	2.99%	Semi-annual	06/15/17	\$69 - 115	1,631,751
Southwest Regional Water Reclamation Facility Revolving Loan Program	3.05%	Semi-annual	05/15/20	Unknown	217,156
TOTAL PRIMARY GOVERNMENT					\$8,415,352

The annual requirements to amortize all primary government debt outstanding as of September 30, 1999, including interest payments of \$135,644,911 are as follows:

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	
2000	\$1,670,000	\$461,707	\$7,143,112	\$8,187,038	\$2,830,229	\$244,765	\$20,536,851
2001	1,760,000	369,858	7,473,112	7,589,575	2,106,600	125,922	19,425,067
2002	1,860,000	269,537	7,260,000	7,186,975	1,501,729	33,591	18,111,832
2003	1,970,000	161,657	7,590,000	6,813,620	0	0	16,535,277
2004	790,000	46,412	7,950,000	6,416,611	0	0	15,203,023
2005-2009	0	0	34,750,000	26,290,782	0	0	61,040,782
2010-2014	0	0	41,905,000	16,494,433	0	0	58,399,433
2015-2019	0	0	38,670,000	6,194,212	0	0	44,864,212
2020-2022	0	0	1,875,000	205,325	0	0	2,080,325
TOTAL PRIMARY GOVERNMENT	\$8,050,000	\$1,309,171	\$154,616,224	\$85,378,571	\$6,438,558	\$404,278	\$256,196,802

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		
2000	\$1,225,000	\$3,398,844	\$129,250	\$119,127	\$4,872,221	\$25,409,072
2001	1,340,000	3,328,239	166,111	126,720	4,961,070	24,386,137
2002	1,415,000	3,252,131	171,339	121,491	4,959,961	23,071,793
2003	1,495,000	3,170,106	176,732	116,098	4,957,936	21,493,213
2004	1,570,000	3,082,971	182,295	110,535	4,945,801	20,148,824
2005-2009	9,300,000	13,860,429	1,001,254	462,900	24,624,583	85,665,365
2010-2014	12,445,000	10,495,189	1,169,119	295,033	24,404,341	82,803,774
2015-2019	16,805,000	5,813,005	1,124,068	104,312	23,846,385	68,710,597
2020-2022	10,905,000	694,156	93,159	1,605	11,693,920	13,774,245
TOTAL	56,500,000	47,095,070	4,213,327	1,457,821	109,266,218	365,463,020
LESS: Unamortized Bond Costs	3,499,690	0	0	0	3,499,690	3,499,690
TOTAL PRIMARY GOVERNMENT	\$53,000,310	\$47,095,070	\$4,213,327	\$1,457,821	\$105,766,528	\$361,963,330

In addition, the County has entered into a loan agreement 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, 1999, 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.

C. Advanced Refunding

On September 1, 1998, the County issued \$59,250,000 in Subordinate Lien Sales Tax Revenue Bonds, Series 1998 and closed on October 14, 1998. The issue provides funds to acquire, install, and construct certain capital improvements including a new County court facility and to refund all of the outstanding Sales Tax Improvement Revenue Bonds, Series 1996. A portion of the new issue with an average interest rate of 4.42 percent was used to advance refund \$9,370,000 in Sales Tax Improvement Revenue Bonds, Series 1996 with an average interest rate of 5.03 percent. A portion of the net proceeds in the amount of \$9,683,000 was used to purchase U.S. government securities, which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Sales Tax Improvement Revenue Bonds, Series 1996. As a result of this defeasance, the Series 1996 bonds are not considered a liability and have been removed from the General Long-Term Debt Account Group.

The County advance refunded the Series 1996 bonds to reduce its debt service payment for the next 18 years. The difference in cash flows between the old debt and the new debt is \$260,593. The economic gain or present value savings over the life of the Series 1996 bonds is \$194,073.

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, 1999, \$20,420,000 of bonds outstanding are considered defeased and were comprised of the following:

Airport System Revenue Bonds, Series 1991	\$11,050,000
Sales Tax Improvement Revenue Bonds, Series 1996	9,370,000
TOTAL	\$20,420,000

NOTE 7. GENERAL LONG-TERM DEBT

Changes in General Long-term Debt

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

PRIMARY GOVERNMENT	BALANCE 09/30/98	NOTES PAYABLE		BONDS PAYABLE		ACCRUED COMPENSATED ABSENCES		JUDGEMENTS PAYABLE		BALANCE 09/30/99
		ISSUED	RETIRED	ISSUED	RETIRED	EARNED	USED	RETIRED	OTHER	
Notes Payable	\$7,216,342	\$4,245,000	\$5,022,784	\$0	\$0	\$0	\$0	\$0	\$0	\$6,438,558
Compensated Absences	12,993,702	0	0	0	0	5,469,215	5,229,221	0	0	13,233,696
Limited Obligation										
Bonds Payable	9,635,000	0	0	0	1,585,000	0	0	0	0	8,050,000
Revenue Bonds Payable	109,859,335	0	0	59,250,000	15,808,111	0	0	0	0	153,301,224
Other Bonds Payable	1,650,000	0	0	0	335,000	0	0	0	0	1,315,000
Judgements Payable	1,100,000	0	0	0	0	0	0	550,000	0	550,000
Net Pension Obligation	19,404	0	0	0	0	0	0	0	42,185	61,589
TOTAL PRIMARY										
GOVERNMENT	\$142,473,783	\$4,245,000	\$5,022,784	\$59,250,000	\$17,728,111	\$5,469,215	\$5,229,221	\$550,000	\$42,185	\$182,950,067

COMPONENT UNITS	ACCRUED COMPENSATED ABSENCES			BALANCE 09/30/99
	BALANCE 09/30/98	EARNED	USED	
Compensated Absences	\$520,549	\$48,760	\$0	\$569,309
TOTAL				
COMPONENT UNITS	\$520,549	\$48,760	\$0	\$569,309

NOTE 8. CONDUIT DEBT OBLIGATIONS

Five entities 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 five entities and their purposes are:

- **Community Development Properties, Volusia, Inc.** - provide financing for constructing a 1,500 space parking garage to satisfy requirements of Volusia County Code to end parking and driving on a section of Daytona Beach between Seabreeze Boulevard and International Speedway Boulevard.
- **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.

Bonds issued on behalf of the entities 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, 1999 is comprised of the following:

ENTITY	NUMBER OF SERIES OUTSTANDING	ORIGINAL ISSUE	AGGREGATE PRINCIPAL OUTSTANDING
Community Development Properties, Volusia, Inc.	2	\$13,435,000	\$13,435,000
Volusia County Health Facilities Authority	7	383,660,000	226,980,000
Volusia County Housing Finance Authority	13	70,651,000	(1)
Volusia County Industrial Development Authority	(1)	(1)	(1)
Volusia County Educational Facilities Authority	7	201,605,000	166,115,000

(1) Information not available from individual entities.

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, 1999, this receivable amounted to \$225,122. Additionally, during the year ended September 30, 1987, the County established an employee computer purchase program. At September 30, 1999, the amount owed to the County was \$136,948. 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 \$362,070.

NOTE 10. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The County maintains five Enterprise Funds, which provide airport, refuse disposal, public transportation, garbage collection, and water and sewer services. Segment information for the fiscal year ended September 30, 1999 follows:

	VOLUSIA					
	AIRPORT	REFUSE DISPOSAL	TRANSPORTATION AUTHORITY	GARBAGE COLLECTION	UTILITIES	TOTAL
Operating Revenues	\$7,530,310	\$14,616,330	\$1,914,121	\$4,390,143	\$6,659,174	\$35,110,078
Depreciation	3,550,878	1,240,352	1,389,375	24,215	975,334	7,180,154
Operating Income (Loss)	(555,623)	1,288,721	(9,849,078)	(685,977)	1,414,867	(8,387,090)
Operating Grants, Entitlements, and Shared Revenues	1,130,328	269,677	4,716,626	290,019	0	6,406,650
Operating Transfers - Net	100,000	0	4,049,404	0	0	4,149,404
Net Income (Loss)	(2,026,323)	2,016,668	(910,334)	(319,119)	950,684	(288,424)
CURRENT YEAR CONTRIBUTIONS:						
Additions	1,477,401	2,860	1,006,191	0	1,785,044	4,271,496
Deletions - Net	1,713	108	78,407	0	0	80,228
FIXED ASSETS:						
Additions	1,528,701	5,915,006	1,094,670	15,099	3,061,227	11,614,703
Deletions - Net	3,759	705,831	79,078	918	273,696	1,063,282
Cash and Cash Equivalents	14,029,463	4,915,963	2,202,299	807,044	9,035,070	30,989,839
Total Assets	93,919,406	35,643,135	18,413,896	1,111,004	36,802,949	185,890,390
Net Working Capital	8,558,969	2,771,707	3,170,851	438,506	6,924,700	21,864,733
Bonds and Other Liabilities Payable from Operating Revenues	48,867,295	8,529,163	211,060	40,035	16,259,420	73,906,973
TOTAL EQUITY	42,326,734	26,743,737	17,749,412	548,102	19,023,151	106,391,136