

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, 2000 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: 5.50% 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: 4.50% 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, 2001

PRINCIPAL PAYMENT DATE: April 15, 2001

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: 5.70% 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: \$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: \$30,795,000 Airport System Revenue Refunding Bonds, Series 2000
DATED: August 1, 2000
FINAL MATURITY: October 1, 2021
PRINCIPAL PAYMENT DATE: October 1
INTEREST PAYMENT DATE: October 1 and April 1
INTEREST RATES: 6.35% 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: To provide sufficient funds to advance refund the remaining 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: 4.40% 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: 4.75% 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: 4.70% 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: 4.03% 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. The County has met this requirement by establishing a reservation of fund balance in the Ponce Inlet Port Authority Fund, a special revenue fund.
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 09/30/00
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	\$305,716
Installment purchase agreement with Global Elections for purchase of election equipment	5.00%	Monthly	11/15/00	\$32	32,444
Installment purchase agreement with General Electric Leasing for purchase of helicopters	6.42%	Semi-annual	12/20/01	\$193 – 368	562,168
Installment purchase agreement with Fla. Assn. of Counties for purchase of computers and other equipment	Variable	Monthly	09/01/02	\$1,308 – 1,400	2,708,000
Installment purchase agreement with Fla. Assn. of Counties for purchase of computers and other equipment	Variable	Monthly	06/01/03	\$836 – 1,030	2,895,000
TOTAL PRIMARY GOVERNMENT					\$6,503,328
PROPRIETARY FUNDS					
PRIMARY GOVERNMENT:					
Airport Land Acquisition Program	Unknown	Unknown	Unknown	Unknown	\$4,202,025
Southeast Wastewater Facilities Revolving Loan Program	3.24%	Semi-annual	08/15/20	Unknown	5,914,272
Installment purchase agreement with Fla. Assn. of Counties for Solid Waste's disposal cell	Variable	Quarterly	12/01/04	\$280 - 2,080	3,290,000
Upgrade of the Deltona North Water Reclamation Facility with the State of Florida	2.99%	Semi-annual	06/15/17	\$72 - 115	1,562,139
Southwest Regional Water Reclamation Facility Revolving Loan Program	3.05%	Semi-annual	05/15/20	Unknown	2,565,140
TOTAL PRIMARY GOVERNMENT					\$17,533,576

The annual requirements to amortize all primary government debt outstanding as of September 30, 2000, including interest payments of \$122,117,088 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	
2001	\$1,760,000	\$369,858	\$7,423,112	\$7,431,163	\$3,136,600	\$260,547	\$20,381,280
2002	1,860,000	269,537	7,260,000	7,028,485	2,530,728	112,081	19,060,831
2003	1,970,000	161,657	7,590,000	6,642,788	836,000	23,243	17,223,688
2004	790,000	46,412	7,950,000	6,234,283	0	0	15,020,695
2005	0	0	8,055,000	5,806,321	0	0	13,861,321
2006-2010	0	0	34,285,000	23,469,128	0	0	57,754,128
2011-2015	0	0	41,335,000	13,302,695	0	0	54,637,695
2016-2020	0	0	32,240,000	3,533,481	0	0	35,773,481
2021-2022	0	0	1,285,000	70,009	0	0	1,355,009
TOTAL PRIMARY GOVERNMENT	\$6,380,000	\$847,464	\$147,423,112	\$73,518,353	\$6,503,328	\$395,871	\$235,068,128
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			
2001	\$685,000	\$2,630,993	\$1,071,291	\$487,987	\$4,875,271	\$25,256,551	
2002	1,415,000	3,290,185	1,106,702	446,475	6,258,362	25,319,193	
2003	1,495,000	3,211,119	1,162,930	403,221	6,272,270	23,495,958	
2004	1,570,000	3,126,539	1,190,000	358,145	6,244,684	21,265,379	
2005	1,660,000	3,036,136	2,977,941	232,366	7,906,443	21,767,764	
2006-2010	9,845,000	13,568,414	4,021,943	577,365	28,012,722	85,766,850	
2011-2015	13,205,000	10,085,221	1,453,348	176,078	24,919,647	79,557,342	
2016-2020	17,860,000	5,249,212	347,396	10,663	23,467,271	59,240,752	
2021-2022	6,885,000	465,281	0	0	7,350,281	8,705,290	
TOTAL	54,620,000	44,663,100	13,331,551	2,692,300	115,306,951	350,375,079	
LESS: Unamortized Bond Costs	3,310,875	0	0	0	3,310,875	3,310,875	
TOTAL PRIMARY GOVERNMENT	\$51,309,125	\$44,663,100	\$13,331,551	\$2,692,300	\$111,996,076	\$347,064,204	

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, 2000, 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 August 1, 2000, the County issued \$30,795,000 in Airport System Revenue Refunding Bonds, Series 2000. The issue provided funds to refund the remaining outstanding Airport System Revenue Bonds, Series 1991 totaling \$31,450,000 on October 1, 2000. The new issue, with an average interest rate of 6.937 percent, some of the Series 1991 sinking fund monies, and other resources were used to advance refund \$31,450,000 in Airport System Revenue Bonds, Series 1991 with an average interest rate of 6.923 percent. The net proceeds in the amount of \$30.65 million (after payment of \$147,000 in insurance and other issuance costs) plus an additional \$2.25 million of Series 1991 sinking fund monies and other resources were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 1991 bonds. As a result, the Series 1991 bonds are considered to be defeased and the liability for those bonds has been removed from the Airport Fund.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$591,895. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2021 using the effective-interest method. The County advance refunded the Series 1991 bonds to reduce its total debt service payments for the next 21 years. The difference in cash flows between the old debt and the new debt is \$808,744. The economic gain or present value savings over the life of the Series 1991 bonds is \$761,840.

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, 2000, \$51,325,000 of bonds outstanding are considered defeased and were comprised of the following:

Airport System Revenue Bonds, Series 1991	\$42,290,000
Sales Tax Improvement Revenue Bonds, Series 1996	9,035,000
TOTAL	\$51,325,000

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 09/30/99	NOTES PAYABLE		BONDS PAYABLE	ACCRUED COMPENSATED ABSENCES		JUDGEMENTS PAYABLE		BALANCE 09/30/00
		ISSUED	RETIRED	RETIRED	EARNED	USED	RETIRED	OTHER	
Notes Payable	\$6,438,558	\$3,089,000	\$3,024,230	\$0	\$0	\$0	\$0	\$0	\$6,503,328
Compensated Absences	13,233,696	0	0	0	5,603,916	4,631,333	0	0	14,206,279
Limited Obligation Bonds Payable	8,050,000	0	0	1,670,000	0	0	0	0	6,380,000
Revenue Bonds Payable	153,301,224	0	0	6,868,112	0	0	0	0	146,433,112
Other Bonds Payable	1,315,000	0	0	325,000	0	0	0	0	990,000
Judgements Payable	550,000	0	0	0	0	0	275,000	0	275,000
Net Pension Obligation	61,589	0	0	0	0	0	0	(57,935)	3,654
TOTAL PRIMARY GOVERNMENT	\$182,950,067	\$3,089,000	\$3,024,230	\$8,863,112	\$5,603,916	\$4,631,333	\$275,000	(\$57,935)	\$174,791,373

COMPONENT UNITS	BALANCE 09/30/99	ACCRUED COMPENSATED ABSENCES		BALANCE 09/30/00
		EARNED	USED	
Compensated Absences	\$569,309	\$2,254	\$0	\$571,563
TOTAL COMPONENT UNITS	\$569,309	\$2,254	\$0	\$571,563

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.
- **Housing Finance Authority of Volusia County** - 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, 2000 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	6	352,810,000	194,805,000
Housing Finance Authority of Volusia County	15	79,651,000	(1)
Volusia County Industrial Development Authority	(1)	(1)	(1)
Volusia County Educational Facilities Authority	7	201,605,000	163,040,000

(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, 2000, this receivable amounted to \$209,005. Additionally, the County administers a computer purchase plan as a benefit to its employees. At September 30, 2000, the amount owed to the County under this plan was \$128,532. Both amounts 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 \$337,537.

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, 2000 follows:

	VOLUSIA					
	AIRPORT	REFUSE DISPOSAL	TRANSPORTATION AUTHORITY	GARBAGE COLLECTION	UTILITIES	TOTAL
Operating Revenues	\$7,706,816	\$15,645,343	\$1,959,991	\$4,482,872	\$7,288,994	\$37,084,016
Depreciation	3,678,818	1,883,590	1,693,655	24,924	1,072,731	8,353,718
Operating Income (Loss)	(730,943)	(3,058,432)	(11,926,099)	(120,405)	1,970,579	(13,865,300)
Operating Grants, Entitlements, and Shared Revenues	1,191,698	229,971	4,612,494	300,172	0	6,334,335
Operating Transfers - Net	98,959	(60,770)	3,545,392	0	(1,334)	3,582,247
Net Income (Loss)	(1,698,142)	(2,767,624)	(2,547,195)	286,003	1,383,587	(5,343,371)
CURRENT YEAR CONTRIBUTIONS:						
Additions	2,996,560	29,640	4,395,374	0	1,355,539	8,777,113
Deletions - Net	0	0	23,273	0	381	23,654
FIXED ASSETS:						
Additions	3,386,828	1,883,517	4,540,752	0	10,231,479	20,042,576
Deletions - Net	1,634	800,225	23,418	0	4,002	829,279
Cash and Cash Equivalents	12,657,317	7,920,260	1,274,964	1,006,157	8,720,966	31,579,664
Total Assets	92,654,999	37,892,985	20,481,968	1,238,296	45,602,117	197,870,365
Net Working Capital	8,903,573	5,323,888	2,186,799	709,398	5,438,360	22,562,018
Bonds and Other Liabilities Payable from Operating Revenues	47,569,647	13,238,027	225,785	0	21,132,018	82,165,477
TOTAL EQUITY	43,625,152	24,005,753	19,574,318	834,105	21,761,896	109,801,224